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City of
HAMILTON

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GOVERNMENT DOCUMENTS

FINANCIAL REPORT

1998



City of
HAMILTON

FINANCIAL REPORT

December 31, 1998

The Corporation of the City of Hamilton

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The Corporation of the City of Hamilton

SIX-YEAR FINANCIAL REVIEW

(all dollar amounts are in thousands
of dollars, except per capita figures)

	1998	1997	1996
1. POPULATION at the end of the year	316,190	316,190	319,281
2. AREA in acres at the end of the year	38,073	38,073	38,073
3. EMPLOYEES – continuous full time	2,081	2,099	2,106
– part time	1,589	1,643	1,540
4. NUMBER OF HOUSEHOLDS	136,206	135,547	135,142
5. ASSESSMENT			
Taxable assessment upon which the year's rates of taxation were raised			
Residential and farm C.V.A. – 1998	11,473,644	\$609,538	\$603,862
Commercial and industrial	2,690,958	272,528	279,585
Business	–	120,490	123,426
	<u>\$14,164,602</u>	<u>\$1,002,556</u>	<u>\$1,006,873</u>
Per capita	–	3,170	3,153
Commercial and industrial, and business as a percentage of taxable assessment	–	39.2%	40.0%
Provincial equalization factor	–	5.38	5.38
6. RATES OF TAXATION			
Residential and farm mill rate			
for general municipal purposes	Multiple	105.1413	105.1413
for region or county purposes	Multiple	112.0642	111.3252
for school board purposes	Multiple	206.6456	203.6592
	<u>0.0000</u>	<u>423.8511</u>	<u>420.1257</u>
Commercial and industrial mill rate			
for general municipal purposes	Multiple	123.6957	123.6957
for region or county purposes	Multiple	131.8402	130.9709
for school board purposes	Multiple	243.1124	239.5991
	<u>0.0000</u>	<u>498.6483</u>	<u>494.2657</u>
7. REVENUE – general municipal purposes			
Taxation	\$122,389	\$116,174	\$116,540
Payments in lieu of taxes	7,525	7,505	7,402
Ontario grants	4,039	7,228	10,465
Other grants	836	727	1,082
Fees and service charges	37,446	33,985	30,856
Other	17,114	17,538	17,542
	<u>\$189,349</u>	<u>\$183,157</u>	<u>\$183,887</u>
8. TAX ARREARS – per capita	\$357	\$159	\$173
– percentage of current levy C.V.A.		10.8%	11.9%
9. EXPENDITURE – general municipal	\$189,429	\$183,264	\$184,182
10. TRANSFERS TO THE REGION	\$222,364	\$131,843	\$131,532
11. TRANSFERS TO THE SCHOOL BOARDS	\$154,439	\$230,833	\$228,344
12. NET LONG-TERM LIABILITIES			
General municipal activities	\$47,873	\$55,683	\$64,669
– per capita	\$151	\$176	\$203
– percentage of taxable assessment C.V.A.		5.5%	6.4%
Municipal enterprises		\$3,871	\$4,583
13. CHARGES FOR NET LONG-TERM LIABILITIES			
General municipal activities	\$13,005	\$14,191	\$13,435
– per capita	\$41	\$45	\$42
– as a mill rate	–	14.15	13.30
14. CAPITAL FINANCING during the year			
Contributions from own funds	\$21,169	\$31,496	\$12,449
Long-term liabilities incurred	–	–	19,793
Ontario grants	4,223	3,260	2,057
Other	5,358	4,751	2,563
	<u>\$30,750</u>	<u>\$39,507</u>	<u>\$36,862</u>
15. CAPITAL EXPENDITURE during the year	\$36,089	\$36,304	\$26,578
16. ACCUMULATED NET REVENUE	\$691	\$771	\$877
17. RESERVES AND RESERVE FUNDS	\$82,982	\$87,288	\$106,902

The Corporation of the City of Hamilton

SIX-YEAR FINANCIAL REVIEW

(all dollar amounts are in thousands
of dollars, except per capita figures)

	1995	1994	1993
1. POPULATION at the end of the year	318,038	316,105	320,120
2. AREA in acres at the end of the year	38,073	38,073	38,073
3. EMPLOYEES – continuous full time	2,110	2,104	2,176
– part time	1,302	1,353	1,511
4. NUMBER OF HOUSEHOLDS	134,713	134,141	133,293
5. ASSESSMENT			
Taxable assessment upon which the year's rates of taxation were raised			
Residential and farm	\$601,996	\$600,446	\$593,264
Commercial and industrial	278,134	278,819	283,836
Business	123,973	124,594	127,540
	<u>\$1,004,103</u>	<u>\$1,003,859</u>	<u>\$1,004,640</u>
Per capita	3,158	3,176	3,139
Commercial and industrial, and business as a percentage of taxable assessment	40.1%	40.2%	40.9%
Provincial equalization factor	5.38	5.38	5.38
6. RATES OF TAXATION			
Residential and farm mill rate			
for general municipal purposes	105.1413	104.2203	104.2203
for region or county purposes	110.1432	106.9719	107.0004
for school board purposes	197.4266	190.1978	190.1989
	<u>412.7111</u>	<u>401.3900</u>	<u>401.4196</u>
Commercial and industrial mill rate			
for general municipal purposes	123.6957	122.6121	122.6121
for region or county purposes	129.5803	125.8493	125.8828
for school board purposes	232.2666	223.7621	223.7634
	<u>485.5426</u>	<u>472.2235</u>	<u>472.2583</u>
7. REVENUE – general municipal purposes			
Taxation	\$116,764	\$115,680	\$116,107
Payments in lieu of taxes	7,832	7,359	7,445
Ontario grants	12,958	13,863	14,904
Other grants	1,090	760	767
Fees and service charges	29,629	30,344	31,690
Other	18,534	19,307	20,434
	<u>\$186,807</u>	<u>\$187,313</u>	<u>\$191,347</u>
8. TAX ARREARS – per capita	\$195	\$198	\$200
– percentage of current levy	13.6%	14.1%	14.3%
9. EXPENDITURE – general municipal	\$186,954	\$187,328	\$191,232
10. TRANSFERS TO THE REGION	\$130,051	\$126,529	\$126,842
11. TRANSFERS TO THE SCHOOL BOARDS	\$221,495	\$213,540	\$213,964
12. NET LONG-TERM LIABILITIES			
General municipal activities	\$52,905	\$62,987	\$59,454
– per capita	\$166	\$199	\$185
– percentage of taxable assessment	5.3%	6.3%	5.9%
Municipal enterprises	\$5,272	\$5,948	\$6,534
13. CHARGES FOR NET LONG-TERM LIABILITIES			
General municipal activities	\$15,059	\$15,206	\$16,599
– per capita	\$47	\$48	\$52
– as a mill rate	14.99	15.14	16.51
14. CAPITAL FINANCING during the year			
Contributions from own funds	\$10,267	\$6,261	\$8,941
Long-term liabilities incurred	9	12,296	205
Ontario grants	10,502	3,562	3,694
Other	2,610	511	553
	<u>\$23,388</u>	<u>\$22,630</u>	<u>\$13,393</u>
15. CAPITAL EXPENDITURE during the year	\$37,475	\$23,904	\$40,699
16. ACCUMULATED NET REVENUE	\$1,172	\$1,319	\$1,334
17. RESERVES AND RESERVE FUNDS	\$102,483	\$93,299	\$100,299



THE CORPORATION OF THE
CITY OF HAMILTON

***FINANCIAL
STATEMENTS***

December 31, 1998



MacGillivray

Partners

Chartered Accountants

AUDITORS' REPORT

To Members of Council,
Inhabitants and Ratepayers of
The Corporation of the City
of Hamilton

We have audited the consolidated balance sheet of **The Corporation of the City of Hamilton** as at December 31, 1998 and the consolidated statement of operations for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1998 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

Hamilton, Canada
May 10, 1999

MacGillivray Partners

CHARTERED ACCOUNTANTS

The Corporation of the City of Hamilton

CONSOLIDATED BALANCE SHEET

December 31, 1998

(in thousands of dollars)

	1998 \$	1997 \$
ASSETS		
Unrestricted		
Cash and equivalents	—	19,571
Other investments (note 4)	4,464	10,168
Taxes receivable	112,889	50,328
Accounts receivable	28,955	28,952
Other	5,294	5,531
	<u>151,602</u>	<u>114,550</u>
Restricted		
Cash and equivalents	29,804	24,950
Other	1,000	1,841
	<u>30,804</u>	<u>26,791</u>
Capital outlay financed by long term debt and to be recovered in future years	<u>50,551</u>	<u>61,832</u>
	<u>232,957</u>	<u>203,173</u>
LIABILITIES		
Current		
Bank indebtedness	43,397	—
Accounts payable and accrued liabilities	47,383	39,804
Other current liabilities	433	619
	<u>91,213</u>	<u>40,423</u>
Long term		
Obligations under capital lease (note 8(e))	2,483	2,278
Long term debt (note 8(a))	48,068	59,554
	<u>50,551</u>	<u>61,832</u>
MUNICIPAL FUND BALANCES		
To be used to offset taxation or user charges (note 11(a))	691	771
Unexpended capital financing (note 11(a))	7,520	12,859
Reserves (note 12)	52,178	60,497
Reserve funds (note 12)	30,804	26,791
	<u>91,193</u>	<u>100,918</u>
	<u>232,957</u>	<u>203,173</u>

See accompanying notes to the financial statements

The Corporation of the City of Hamilton

CONSOLIDATED STATEMENT OF OPERATIONS for the year ended December 31, 1998 (in thousands of dollars)

	1998 \$	1997 \$
SOURCES OF FINANCING:		
Taxation and user charges		
Residential and farm taxation	77,686	66,948
Commercial, industrial and business taxation	52,227	56,731
User charges	41,707	38,022
	<u>171,620</u>	<u>161,701</u>
Grants		
Government of Canada	646	281
Province of Ontario	8,266	10,493
Other	588	1,112
	<u>9,500</u>	<u>11,886</u>
Other		
Contributions from developers	1,138	1,679
Investment income	5,701	4,764
Sale of land	4,436	2,636
Fines, penalties and interest on taxes	9,510	10,610
Other	5,294	7,302
	<u>26,079</u>	<u>26,991</u>
MUNICIPAL FUND BALANCES at beginning of year	<u>100,918</u>	<u>117,435</u>
Total financing available during the year	<u>308,117</u>	<u>318,013</u>
APPLIED TO:		
General government	43,055	40,991
Protection to persons and property	36,764	38,589
Transportation services	42,592	42,290
Environmental services	5,905	6,496
Health services	2,595	2,718
Social and family services	1,877	2,238
Recreation and cultural services	75,353	74,461
Planning and development	8,783	9,312
	<u>216,924</u>	<u>217,095</u>
MUNICIPAL FUND BALANCES at end of year	<u>91,193</u>	<u>100,918</u>
Total applications during the year	<u>308,117</u>	<u>318,013</u>

See accompanying notes to the financial statements

The Corporation of the City of Hamilton

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing. On matters for which The Ministry of Municipal Affairs and Housing has not published a prescribed policy, the handbook of The Canadian Institute of Chartered Accountants has been followed. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Basis of Consolidation

(i) Consolidated Entities

These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund, reserve funds and reserves and include the activities of all committees of Council and the following boards, and municipal enterprises which are under the control of Council:

The Hamilton Entertainment and Convention Facilities, Inc.
The Hamilton Public Library Board
Barton General Business Improvement Area
Concession Street Business Improvement Area
Downtown Promenade Business Improvement Area
International Village Business Improvement Area
Main Street West Esplanade Business Improvement Area
Ottawa Street Business Improvement Area
Westdale Business Improvement Area

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the Municipality and the resulting interest income and expenditures.

(ii) Non Consolidated Entities

The following local boards, municipal enterprises and utilities are not consolidated:

The Hamilton and Scourge Foundation, Inc.
Hamilton Housing Company Limited
The Hamilton Municipal Retirement Fund
The Hamilton Hydro Electric System
Municipal Non-Profit (Hamilton) Housing Corporation

(iii) Accounting for Region and School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the Hamilton – Wentworth District School Board, The Hamilton – Wentworth Catholic District School Board and the Regional Municipality of Hamilton – Wentworth are not reflected in the financial statements except to the extent that underlevies are reported on the Consolidated Balance Sheet.

(iv) Trust Funds

Trust funds and their related operations administered by the Municipality are not consolidated but are reported separately on the Trust Funds Statement of Continuity and Balance Sheet.

The Corporation of the City of Hamilton

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

1. ACCOUNTING POLICIES – (continued)

(b) Basis of Accounting

(i) Non Accrual

Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities and certain employee related costs (note 1(b)(ii)) which are charged against operations in the periods in which they are paid.

(ii) Employee Related Costs

Employee related costs for vested sick leave benefits, Workplace Safety and Insurance Board obligations, and other retiree benefits are charged to operations in the periods in which they are paid. Consequently, these obligations are not reflected on the Consolidated Balance Sheet.

(iii) Accrual

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay. Transactions and events are recognized in the period in which they occur regardless of whether there has been a receipt or payment of cash or its equivalent.

(iv) Capital Assets

The historical cost and accumulated amortization for capital assets are not recorded for municipal purposes. Capital assets are reported as an expenditure on the Consolidated Statement of Operations in the year of acquisition.

(v) Capital Outlay to be Recovered in Future Years

Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long term debt and obligations under capital lease for municipal expenditures or capital funds transferred to other organizations, is reported on the Consolidated Balance Sheet.

2. OPERATION OF SCHOOL BOARDS AND THE REGIONAL MUNICIPALITY OF HAMILTON – WENTWORTH

Further to note 1 (a)(iii), the taxation, other revenues, expenditures and underlevies of the school boards and the Regional Municipality of Hamilton – Wentworth are comprised of the following:

	School Boards \$	Region \$
Taxation and user charges	152,683	221,412
Less: requisition	<u>153,442</u>	<u>222,364</u>
Underlevies for the year	(759)	(952)
Underlevies at beginning of year	<u>(260)</u>	<u>(141)</u>
Underlevies at end of year	<u>(1,019)</u>	<u>(1,093)</u>

The Corporation of the City of Hamilton

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

3. TRUST FUNDS

Trust Funds administered by the Municipality amounting to \$6,920 (1997 - \$6,508) have not been included in the Consolidated Balance Sheet nor have Trust Fund operations been included in the Consolidated Statement of Operations.

4. INVESTMENTS

The total investment of \$4,464 at cost (1997 - \$10,168) reported on the Consolidated Balance Sheet has a market value of \$4,464 (1997 - \$10,505) at the end of the year.

5. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Effective January 1, 1982 the Income Protection Plan was adopted and all sick bank credits earned under the Sick Leave Benefit Plan were frozen. The exception to this is for employees of the Fire Department which continues to operate under the Sick Leave Benefit Plan.

Under the Sick Leave Benefit Plan, unused sick leave would accumulate and employees were entitled to cash payment upon termination of services after seven continuous years. Entitlement to cash payment continues to apply to those employees who earned credits under this plan. The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to \$9,991 (1997 - \$9,828) at the end of the year. Cash payments made in lieu of sick leave are included in expenditures of the year in which services are terminated. An amount of \$417 (1997 - \$481) was paid to employees who left the Municipality's employment during the current year. A reserve has been established to provide for this past service liability and is reported on the Consolidated Balance Sheet. The balance of \$6,335 (1997 - \$5,985) is provided in the reserve. An amount of \$300 (1997 - \$500) has been provided for in the current year and is reported on the Consolidated Statement of Operations. Probable payments over the next five years to employees who reach their normal retirement age are:

1999	2000	2001	2002	2003
\$	\$	\$	\$	\$
175	108	261	337	275

6. PENSION AGREEMENTS

Ontario Municipal Employees Retirement System (OMERS)

The City of Hamilton makes contributions to OMERS which is a multi-employer plan on behalf of 1,949 of its employees and elected officials. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amounts contributed to OMERS for current and past service are included in the Consolidated Statement of Operations and are reflected as follows:

	1998	1997
	\$	\$
Current service	2,261	5,455
Retirement compensation arrangement	4	7
	<u>2,265</u>	<u>5,462</u>

The Corporation of the City of Hamilton

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

7. PROVISION FOR EMPLOYEE BENEFITS

The City is providing certain benefits to its employees through Administrative Service Only (A.S.O.) agreements with insurance companies which monitor and process claims for a fee. In order to provide for future self funding of these benefits, certain reserves have been accumulated to a total of \$8,036 as at December 31, 1998, and are included in the Employee Benefits – Self Insurance Reserve. This reserve includes the following:

(a) Long Term Disability Program – Pre–June 30, 1994

There were 25 claims outstanding December 31, 1998. However, no actuarial valuation of liabilities is available at this time. Therefore, no estimated amount can be provided. As at December 31, 1998 the amount on deposit at Metropolitan Life Co. to fund these claims was \$2,315. This item is reported on the Consolidated Balance Sheet under reserves, and appropriate funds are included as part of other investments.

(b) Health Benefits, Group Life Insurance and Long Term Disability – Post–July 1, 1995.

The amount in the reserve accumulated towards self funding these benefits as at December 31, 1998 is \$5,721.

8. LONG TERM DEBT

	1998 \$	1997 \$
(a) The balance for long term debt reported on the Consolidated Balance Sheet is comprised of the following:		
Total long term debt incurred by the Municipality including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to:	–	27
In addition, the Municipality has assumed responsibility for the payment of principal and interest charges on certain long term debt issued by the City and Regional Municipality of Hamilton–Wentworth. At the end of the year the outstanding principal amount of this liability is:	76,387	101,534
The total value of sinking funds which has been accumulated to the end of the year to retire the outstanding long term debt included above amount to:	(28,319)	(42,007)
	<u>48,068</u>	<u>59,554</u>

- (b) Of the long term debt reported in (a) of this note, principal payments of \$48,068 are payable and summarized as follows:

	1999 to 2003 \$	2004 to 2008 \$	2009 and thereafter \$
From:			
General municipal revenues	37,556	9,570	–
Benefitting landowners	623	308	11
	<u>38,179</u>	<u>9,878</u>	<u>11</u>

The Corporation of the City of Hamilton

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

8. LONG TERM DEBT – (continued)

- (c) Some of the long term debt reported in (a) of this note does not represent a burden on general municipal revenues, as they are to be recovered in future years from other sources.

	1998 \$	1997 \$
Special charges on benefitting landowners	942	1,145
Municipal enterprises	—	2,727
	<u>942</u>	<u>3,872</u>

- (d) The long term debt in (a) issued in the name of the Municipality have received approval of the Ontario Municipal Board for those approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law. The annual principal and interest liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

- (e) Obligations Under Capital Lease

The Municipality has entered into various lease agreements for computer and related equipment. These agreements provide for termination on November 30, 2000 to coincide with the term of Council. Lease agreements for the Hamilton Public Library Board expire in December 2000. The allocation of computer lease costs has been recorded based on the present value for each year as follows:

	City of Hamilton	Hamilton Public Library Board	Total
	\$	\$	\$
1999	1,302	85	1,387
2000	844	35	879
2001	208	9	217
	<u>2,354</u>	<u>129</u>	<u>2,483</u>

9. CHARGES FOR LONG TERM DEBT

Total charges for the year for long term debt, reported on the Consolidated Statement of Operations are as follows:

	1998 \$	1997 \$
Principal payment including contributions to the sinking fund	6,396	6,747
Interest	7,680	8,863
	<u>14,076</u>	<u>15,610</u>

The charges for long term debt assumed by the non-consolidated entities are not reflected in these statements.

The Corporation of the City of Hamilton

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

10. NON-ACCRUAL OF INTEREST ON LONG TERM DEBT

No provision has been made in these financial statements for the accrual of interest on the long term debt. Had this provision been made, the municipal fund balance as at December 31, 1998 would have been decreased by \$2,701 (1997 - \$3,529).

11. MUNICIPAL FUND BALANCES

- (a) The municipal equity amounts shown on the Consolidated Balance Sheet and the Consolidated Statement of Operations, namely \$691 and \$7,520 (1997 - \$771 and \$12,859) at the end of the year are comprised of the following:

	1998 \$	1997 \$
To be used to offset taxation or user charges:		
- for benefitting landowners related to special charges and special areas	546	609
- business improvement areas	145	162
	<u>691</u>	<u>771</u>
Unexpended capital financing		
- funds available for capital expenditures	20,709	23,600
- capital expenditures to be recovered from reserves and reserve funds	(12,935)	(10,332)
- capital expenditures to be recovered from grants and accounts receivable	(254)	(409)
	<u>7,520</u>	<u>12,859</u>
	<u>8,211</u>	<u>13,630</u>

- (b) The balance available for the general reduction of taxation for the fiscal year ending December 31, 1998 has been reduced by an amount of \$5,105 transferred to:

	\$
Reserve for hosting of special dignitaries	30
Reserve for tax stabilization	725
OMERS	1,561
Early retirement	2,789
	<u>5,105</u>

The Corporation of the City of Hamilton

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

12. CAPITAL RESERVES, WORKING FUND RESERVES AND RESERVE FUNDS

The capital reserve, working fund reserve and reserve fund balances are detailed as follows:

	1998 \$	1997 \$
CAPITAL RESERVES		
Acquisition of historic properties	165	156
Alpha enclaves	106	106
Capital projects	1,519	993
Debt charges	7,127	10,958
HECFI	1,044	1,071
Major repairs to mobile equipment	1,108	948
Property purchases	4,488	6,762
Replacement of mobile equipment	5,235	11,087
Services for unsubdivided lands development	2,032	2,007
Working funds	4,492	4,257
	<u>27,316</u>	<u>38,345</u>
WORKING FUND RESERVES		
Acquisition of properties under the Planning Act	(284)	(274)
Cemetery building fund	41	28
Contingency	739	1,185
Election	131	—
Employee benefits	8,036	7,213
Golf course improvements	17	—
Hamilton Public Library	1,418	1,241
HECFI	285	272
Hosting conferences	38	46
Hosting of special dignitaries	26	39
Mum show	8	5
Museums	76	62
Off-street parking	(2,859)	(3,040)
Residential — building permit revenue stabilization	1,085	670
Self insurance	1,947	1,719
Special events subsidy	1	2
Systems improvements	59	56
Tax stabilization	4,574	3,207
Working funds	9,524	9,721
	<u>24,862</u>	<u>22,152</u>
Total Reserves	<u>52,178</u>	<u>60,497</u>

The Corporation of the City of Hamilton

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

12. CAPITAL RESERVES, WORKING FUND RESERVES AND RESERVE FUNDS – (continued)

	1998 \$	1997 \$
RESERVE FUNDS – Set aside for a specific purpose by Council, legislation, regulation or agreement		
Deferred Income Plan for City Council members	981	939
Development charges	4,988	5,723
Loan programs	3,328	3,398
R. V. Joyce Centre for the Performing Arts	1,209	–
Redhill Creek	2,623	–
Hamilton Scourge Foundation	19	17
Sick leave on resignation	6,335	5,985
Workplace Safety and Insurance	11,321	10,729
Total Reserve Funds	30,804	26,791
Total Reserves and Reserve Funds	82,982	87,288

13. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

(a) Contractual Obligations

The Municipality is a party to agreements and contracts involving significant future liabilities relative to capital projects in progress. Outstanding contractual obligations for capital works amounted to approximately \$4,553 (1997 – \$2,348). The financial statements reflect the costs incurred to date and the capital budget prepared for ten years in the future, updated annually, provided for the financing of these future obligations within the estimated financial resources of the Municipality.

(b) Public Liability Insurance

The Municipality is partially self-insured for public liability claims up to \$500 for any individual claim and \$500 for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits.

The Municipality has made a provision for a reserve for self insurance which as at December 31, 1998 amounted to \$1,947 (1997 – \$1,719) and is reported on the Consolidated Balance Sheet under reserves.

Claims settled during the year amounting to \$991 (1997 – \$474) have been provided for from the reserve and are, accordingly, reported as an expenditure on the Consolidated Statement of Operations.

There are a number of claims unsettled as at December 31, 1998, the potential liability of which is not currently determinable.

The Corporation of the City of Hamilton

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

13. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES – (continued)

(c) Workplace Safety and Insurance

The City of Hamilton is a Schedule II employer under the Workplace Safety and Insurance Act. As a Schedule II employer, the City assumes the liability for any award made under the Act.

An actuarial valuation was performed in 1995 based on 1993 results and determined a liability of \$21,600 for present and future awards. In 1996 City Council approved a multi-year plan to fund this liability. The balance in the fund at December 31, 1998 was \$11,321 (1997 – \$10,729).

14. PUBLIC SECTOR SALARY DISCLOSURE ACT, 1996 (in dollars)

The Public Sector Salary Disclosure Act passed on January 29, 1996 requires the disclosure of the names, positions, salaries and taxable benefits of employees paid \$100,000 or more per annum and the inclusion of such information in the financial statements.

		Salary Paid \$	Taxable Benefits \$
D. Lobo	Commissioner of Public Works and Traffic Services	125,837	755
J. G. Pavelka	Chief Administrative Officer	120,223	5,563
A. C. Ross	General Manager of Finance	115,079	3,063
P. C. Noé Johnson	City Solicitor	114,821	1,119
J. G. Hindson	Director of Information Technology	114,821	755
L. C. King	Director of Building	107,984	707
R. L. Fair	General Manager of Community Services	105,592	6,822
J. J. Schatz	Municipal Clerk	102,240	925

The salary amount is calculated in compliance with the Public Sector Salary Disclosure Act and may include payments of a non-recurring nature.

15. MEASUREMENT UNCERTAINTY

- (a) During 1998, the Province of Ontario legislated current value assessment, and phase-in and related programs. Numerous tax assessment appeals have been filed, but not yet ruled on.

The impact of these appeals on property taxes receivable or refundable is not determinable at this time. The City has made a provision of \$1,000 relating to these appeals.

- (b) The Corporation has property taxes receivable of approximately \$9,800 on properties whose market values are difficult for the Corporation to assess due to the nature of the properties. Of this amount, approximately \$7,350 has been levied on behalf of school boards and the Regional Municipality of Hamilton-Wentworth, leaving the City with a net exposure of up to \$2,450. An allowance of approximately \$1,500 has been made for potential losses relating to these taxes receivables.

The Corporation of the City of Hamilton

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

16. UNCERTAINTY RELATING TO THE YEAR 2000 ISSUE

The Year 2000 issue arises because many computerized systems may be unable to process information that is date sensitive. The effects of the Year 2000 may be experienced before, on, or after January 1, 2000, however, primary implications are with respect to the year 2000 itself.

If not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect the Corporation's ability to conduct normal business operations. Corporation staff have developed and are implementing a comprehensive work plan to deal with identified Year 2000 issues and are developing contingency plans for all mission critical services. It is not possible, however, to be certain that all aspects of the Year 2000 issue affecting the Corporation, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

FINANCIAL
STATEMENTS



THE CORPORATION OF THE
CITY OF HAMILTON

TRUST FUNDS

***FINANCIAL
STATEMENTS***

December 31, 1998



MacGillivray

Partners

Chartered Accountants

AUDITORS' REPORT

To the Members of Council,
Inhabitants and Ratepayers
of The Corporation of the
City of Hamilton

We have audited the balance sheet of the **Trust Funds of The Corporation of the City of Hamilton** as at December 31, 1998 and the statement of continuity of trust funds for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the trust funds derive revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the trust funds and we were not able to determine whether any adjustments might be necessary to donation revenue included in other revenue, trust fund balances and assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donation revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the trust funds of the Corporation of the City of Hamilton as at December 31, 1998 and the continuity of trust funds for the year then ended in accordance with generally accepted accounting principles.

Hamilton, Canada
April 21, 1999

Mac Gillivray Partners
CHARTERED ACCOUNTANTS

The Corporation of the City of Hamilton

TRUST FUNDS

BALANCE SHEET December 31, 1998 (in thousands of dollars)

	1998 \$	1997 \$
ASSETS		
Cash	4,675	322
Investments (note 2)	2,152	6,395
Loans – Ontario Home Renewal Program	40	57
Due from City of Hamilton	318	–
	<u>7,185</u>	<u>6,774</u>
LIABILITIES		
Deposits	265	154
Due to City of Hamilton	–	112
FUND BALANCES	<u>6,920</u>	<u>6,508</u>
	<u>7,185</u>	<u>6,774</u>

STATEMENT OF CONTINUITY OF TRUST FUNDS for the year ended December 31, 1998 (in thousands of dollars)

	1998 \$	1997 \$
REVENUES		
Cemetery lots and interments	345	323
Interest earned	296	453
Other revenue	220	423
	<u>861</u>	<u>1,199</u>
EXPENDITURES		
Other	93	444
Transfer to reserve and other funds	356	519
	<u>449</u>	<u>963</u>
EXCESS OF REVENUES	412	236
FUND BALANCES – Beginning of year	6,508	6,272
FUND BALANCES – End of year	<u>6,920</u>	<u>6,508</u>

See accompanying notes to the financial statements

The Corporation of the City of Hamilton

TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

These statements reflect the revenues, expenditures, assets and liabilities of the following trust funds:

- F. Walden Dundurn Castle
- Balfour Estate Chedoke
- Hamilton Cemetery Care and Maintenance
- Care and Maintenance Monuments and Markers
- Hamilton Cemetery Pre-Need Assurance
- Ontario Home Renewal Program
- Library - M. Walden Thompson Bequest
- Library - Central Library Special Gift Fund
- Library - Capital Endowment
- Library - Permanent Endowment
- Library - Ketha McLaren Memorial
- Library - F. Walden Bequest
- Library - Centennial Buy-A-Book Campaign

(b) Basis of Accounting

Receipts and expenditures on the Statement of Continuity are reported on the accrual basis of accounting, with the exception of donations which are recorded as received.

Revenues on cemetery lots are recognized upon transfer of title of the deed.

2. INVESTMENTS

The total investments recorded in the Balance Sheet are \$2,152 (1997 - \$6,395). These investments have a market value of \$2,152 (1997 - \$6,434) at the end of the year.

3. UNCERTAINTY RELATING TO THE YEAR 2000 ISSUE

The Year 2000 issue arises because many computerized systems may be unable to process information that is date sensitive (primarily dates falling in the year 2000, although the potential exists for dates falling in the year 1999).

The effects of the Year 2000 issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect the Trust Funds' ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 issue affecting the Trust Funds, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

4. COMPARATIVE FIGURES

The comparative figures have been restated to reflect a reduction of revenues from cemetery lots and interments, and fund balances of \$75, and a corresponding increase in deposits.



**THE HAMILTON ENTERTAINMENT AND
CONVENTION FACILITIES INC.**

***FINANCIAL
STATEMENTS***

December 31, 1998



MacGillivray

Partners

Chartered Accountants

AUDITORS' REPORT

To the Board Members of
The Hamilton Entertainment and Convention Facilities Inc.,
Members of Council, Inhabitants and Ratepayers of The
Corporation of the City of Hamilton

We have audited the balance sheet of **The Hamilton Entertainment and Convention Facilities Inc.** as at December 31, 1998 and the statement of revenue and expense for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1998 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial statements.

*Hamilton, Canada
March 5, 1999*

MacGillivray Partners

CHARTERED ACCOUNTANTS

THE HAMILTON ENTERTAINMENT AND CONVENTION FACILITIES INC.

BALANCE SHEET

DECEMBER 31, 1998

ASSETS

	1998	1997
Current		
Cash	\$ 1,316,801	\$ 781,940
Accounts receivable	873,134	774,935
Inventories (note 3)	62,823	58,875
Prepaid expenses	51,946	38,209
Deferred charges on future shows	156,687	85,486
Due from City of Hamilton	<u>969,762</u>	<u>403,573</u>
	<u>\$ 3,431,153</u>	<u>\$ 2,143,018</u>

LIABILITIES

Current		
Accounts payable and accrued liabilities	\$ 679,626	\$ 641,321
Advance ticket sales	2,359,939	1,176,683
Deposits on future rentals	278,319	210,224
Deferred revenue on display advertising	26,750	28,420
Unredeemed gift certificates	75,420	75,775
Advance from a related corporation (note 4)	<u>11,099</u>	<u>10,595</u>
	<u>\$ 3,431,153</u>	<u>\$ 2,143,018</u>

See accompanying Notes to the Financial Statements

THE HAMILTON ENTERTAINMENT AND CONVENTION FACILITIES INC.

STATEMENT OF REVENUE AND EXPENSE

FOR THE YEAR ENDED DECEMBER 31, 1998

	1998	1997
Revenue		
Rentals, licence fees and show revenue	\$ 1,943,803	\$ 1,716,723
Food, beverage and concessions	2,380,085	2,625,974
Recoveries	2,757,576	2,580,856
Box office	437,917	382,465
Other	<u>392,411</u>	<u>303,457</u>
	<u>7,911,792</u>	<u>7,609,475</u>
Expense		
Events delivery	2,850,667	2,969,175
Food and beverage	1,852,568	2,048,397
Building operations	1,782,976	1,574,245
Marketing and promotion	1,699,325	1,409,997
Administration	1,468,540	1,500,652
Box office	<u>418,861</u>	<u>376,223</u>
	<u>10,072,937</u>	<u>9,878,689</u>
Excess of Expense over Revenue before Contribution from the City of Hamilton	2,161,145	2,269,214
Contribution from the City of Hamilton	<u>2,276,350</u>	<u>2,356,290</u>
Excess of Revenue over Expense for the Year (note 6)	\$ <u>115,205</u>	\$ <u>87,076</u>

See accompanying Notes to the Financial Statements

THE HAMILTON ENTERTAINMENT AND CONVENTION FACILITIES INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1998

1. NATURE OF OPERATIONS

The Hamilton Entertainment and Convention Facilities Inc. is a not-for-profit organization incorporated without share capital under the laws of Ontario by The Corporation of the City of Hamilton (City of Hamilton) to maintain and operate, in the public interest, the following facilities:

Copps Coliseum (a trade centre and arena)
Hamilton Convention Centre
Ronald V. Joyce Centre for the Performing Arts at Hamilton Place (a theatre-auditorium)

2. SIGNIFICANT ACCOUNTING POLICIES

The Corporation follows accounting principles appropriate for a municipal organization. The more significant accounting policies used are as follows:

(a) Inventories

Inventories are valued at the lower of cost (determined on the first-in, first-out method) and replacement cost.

(b) Capital Assets

The land, buildings and original equipment of The Hamilton Entertainment and Convention Facilities Inc. are owned by the City of Hamilton. Purchases of equipment and furnishings are charged either directly to operations in the year in which the expenses occur, or to a capital projects reserve fund established for the purchase of capital assets and maintained by the City of Hamilton on behalf of The Hamilton Entertainment and Convention Facilities Inc.

(c) Reserves

Payments relating to the functional purpose of reserves are charged directly to the reserves.

(d) Rentals, Licence Fees and Show Revenue

Rentals, licence fees and show revenue comprise minimum rental and licence fees, negotiated percentages of box office receipts and profit or loss when the Corporation acts as a promoter or co-promoter on shows. Revenues exclude the capital improvement ticket surcharge.

3. INVENTORIES

Inventories consist of liquor, beer, wine, food and soft drinks.

THE HAMILTON ENTERTAINMENT AND CONVENTION FACILITIES INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1998

4. ADVANCE FROM A RELATED CORPORATION

In 1991 The Hamilton Performing Arts Foundation Inc. advanced monies to the Corporation which in turn invested the funds with the City of Hamilton. All interest earned on these funds has been reinvested with the City of Hamilton and will be paid to The Hamilton Performing Arts Foundation Inc. The continuity of this account is summarized as follows:

	1998	1997
Balance - Beginning of year	\$ 10,595	\$ 20,659
Interest earned during the year	504	436
Funds repaid during year	<u>-</u>	<u>(10,500)</u>
Balance - End of year	<u>\$ 11,099</u>	<u>\$ 10,595</u>

5. PENSION AGREEMENTS

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of some members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 1998 was \$ 72,000 (1997 - \$ 179,000) for current service and is included as an expense on the Statement of Revenue and Expense.

In addition, certain other employees of the Corporation are entitled to payments to a registered savings plan which is administered through their union. The Corporation contributed \$ 30,000 to this plan in 1998 (1997 - \$ 35,000).

6. TRANSFER TO THE CITY OF HAMILTON

At the end of the year the \$ 115,205 (1997 - \$ 87,076) excess of revenue over expense for the year was transferred to the City of Hamilton and allocated to The Hamilton Entertainment and Convention Facilities Inc. Reserve for Capital Projects.

7. RESERVE FUND

During the year a donation of \$ 1,200,000 was made by the Ronald V. Joyce Foundation to the City of Hamilton. In accordance with the restriction placed upon the use of these funds, the City of Hamilton has created this separate reserve fund which is to be utilized to finance major building repairs/improvements and to purchase or replace equipment at the Ronald V. Joyce Centre for the Performing Arts at Hamilton Place.

The Ronald V. Joyce Foundation has also pledged further annual donations of \$ 200,000 for the years 1999 to 2017 inclusive.

The continuity of this fund is summarized as follows:

Original donation	\$ 1,200,000
Interest earned during the year	<u>9,514</u>
Balance - End of year	<u>\$ 1,209,514</u>

THE HAMILTON ENTERTAINMENT AND CONVENTION FACILITIES INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1998

8. OTHER RESERVES

The following reserves have been set aside by City Council on behalf of the The Hamilton Entertainment and Convention Facilities Inc.

(a) Reserve for Capital Projects

This reserve and the interest earned thereon is used primarily to finance major building repairs/improvements, purchase of equipment or replacement thereof. The reserve is financed from allocations of the excess of revenue over expense (note 6) as well as from a patron surcharge levied by the Corporation on ticket admissions to the Ronald V. Joyce Centre for the Performing Arts at Hamilton Place and Copps Coliseum. The continuity of this reserve is summarized as follows:

	1998	1997
Balance - Beginning of year	\$ <u>1,071,305</u>	\$ <u>1,200,746</u>
Funds transferred to finance capital projects approved in the current year's capital budget		
Hamilton Convention Centre	(90,000)	(105,000)
Ronald V. Joyce Centre for the Performing Arts at Hamilton Place	(215,000)	(100,000)
Copps Coliseum	<u>(110,000)</u>	<u>(210,000)</u>
	<u>(415,000)</u>	<u>(415,000)</u>
Receipts from patron surcharges during year		
Ronald V. Joyce Centre for the Performing Arts at Hamilton Place	78,215	65,332
Copps Coliseum	<u>95,402</u>	<u>70,591</u>
	<u>173,617</u>	<u>135,923</u>
Interest earned during year	67,973	59,682
Surplus transferred from The Hamilton Entertainment and Convention Facilities Inc.	115,205	87,076
Return of unused funds from previously approved capital projects	<u>30,862</u>	<u>2,878</u>
	<u>214,040</u>	<u>149,636</u>
Balance - End of year	\$ <u>1,043,962</u>	\$ <u>1,071,305</u>

THE HAMILTON ENTERTAINMENT AND CONVENTION FACILITIES INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1998

8. OTHER RESERVES (*continued*)

(b) Special Events Subsidy Reserve

This reserve and interest earned thereon is used primarily to attract events to the facilities operated by The Hamilton Entertainment and Convention Facilities Inc. The continuity of this fund is summarized as:

	1998	1997
Balance - Beginning of year	\$ 1,844	\$ 328
Contribution from the City of Hamilton	100,000	150,000
Interest earned during the year	2,203	1,820
Payments made in the year for events subsidies	<u>(102,944)</u>	<u>(150,304)</u>
Balance - End of year	<u>\$ 1,103</u>	<u>\$ 1,844</u>

(c) Budget Stabilization Reserve

This reserve and the interest earned thereon is used primarily to fund the Corporation's over-expended municipal contribution, if any, in future years. The continuity of this fund is summarized as:

	1998	1997
Balance - Beginning of year	\$ 271,609	\$ 262,640
Interest earned during the year	<u>12,920</u>	<u>8,969</u>
Balance - End of year	<u>\$ 284,529</u>	<u>\$ 271,609</u>

9. OTHER FINANCIAL INFORMATION

During 1998 the City of Hamilton incurred approximately \$ 50,000 (1997 - \$ 185,000) in interest expense relating to debt incurred to acquire the buildings and original equipment of The Hamilton Entertainment and Convention Facilities Inc. The debt was fully retired on March 31, 1998.

The City of Hamilton incurred estimated utility charges and related overhead expenses of \$ 1,650,000 (1997 - \$1,647,000) for the operations of The Hamilton Entertainment and Convention Facilities Inc.

THE HAMILTON ENTERTAINMENT AND CONVENTION FACILITIES INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1998

10. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Effective May 1, 1982 the predecessor corporations to The Hamilton Entertainment and Convention Facilities Inc. adopted an Income Protection Plan and sick leave credits earned under the previous Sick Leave Benefit Plan were frozen. Under the Sick Leave Benefit Plan unused sick leave could accumulate and employees were entitled to cash payment upon termination of services after ten continuous years of employment. Entitlement to cash payment continues to apply to those employees who earned credits under this plan. The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to \$ 55,000 at December 31, 1998 (1997 - \$ 59,000). Cash payments made by the City of Hamilton in lieu of sick leave are included in the expenses of the year in which services are terminated and no provision was made by the City in the year when the liability was incurred. The current year's expense of \$ 5,000 (1997 - \$ nil) for sick leave liability was paid directly by the City of Hamilton and is not reflected in these financial statements.

11. UNCERTAINTY RELATING TO THE YEAR 2000 ISSUE

The Year 2000 issue arises because many computerized systems may be unable to process information that is date sensitive (primarily dates falling in the year 2000, although the potential exists for dates falling in the year 1999).

The effects of the Year 2000 issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect the Corporation's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 issue affecting the Corporation, including those related to the efforts of customers, suppliers, or other third parties will be fully resolved.



THE HAMILTON PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

December 31, 1998



MacGillivray

Partners

Chartered Accountants

AUDITORS' REPORT

To the Chairman and Board Members
of The Hamilton Public Library Board,
Members of Council, Inhabitants
and Ratepayers of The Corporation of
the City of Hamilton

We have audited the balance sheet of **The Hamilton Public Library Board** as at December 31, 1998 and the statement of revenue and expenditure for the year then ended. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the reserves and reserve funds and trust funds of the Library derive revenue from donations and other revenue, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Library and we were not able to determine whether any adjustments might be necessary to donations and other revenue, reserve and reserve funds, trust fund balances and assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations and other revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 1998 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

Hamilton, Canada
March 29, 1999

MacGillivray Partners
CHARTERED ACCOUNTANTS

The Hamilton Public Library Board

BALANCE SHEET

as at December 31, 1998

(in thousands of dollars)

	1998	1997
	\$	\$
ASSETS		
Unrestricted		
Cash	23	4
Accounts receivable	60	182
Due from City of Hamilton	1,707	1,291
Prepaid expenses	235	293
	<u>2,025</u>	<u>1,770</u>
Capital outlay to be recovered	129	297
	<u>2,154</u>	<u>2,067</u>
Restricted - Trust Funds		
Cash	231	221
Deposits with the Hamilton Foundation	1,056	980
Due from revenue fund	281	188
Accrued interest receivable	71	86
	<u>1,639</u>	<u>1,475</u>
	<u>3,793</u>	<u>3,542</u>
LIABILITIES, RESERVES AND FUND BALANCES		
Accounts payable and accrued liabilities	236	251
Deferred revenue	90	90
Due to trust funds	281	188
	<u>607</u>	<u>529</u>
Capital lease obligation (note 2 (c))	129	297
Reserves and reserve funds (note 7)	1,418	1,241
Trust Funds - fund balance (note 8)	1,639	1,475
	<u>3,793</u>	<u>3,542</u>

The Hamilton Public Library Board

STATEMENT OF REVENUE AND EXPENDITURE

for the year ended December 31, 1998

(in thousands of dollars)

	1998	1997
	\$	\$
REVENUE		
Municipal contribution	14,380	14,439
Province of Ontario grant	676	662
Grant revenue	458	412
Other - rentals, sales and recoveries	504	477
Transfer from Capital - City of Hamilton	-	2
	<u>16,018</u>	<u>15,992</u>
EXPENDITURE		
Central Library administration and technical services (schedule)	<u>9,533</u>	<u>9,658</u>
Library Branches		
Barton	273	271
Kenilworth	398	403
Locke	160	156
Concession	347	339
Westdale	369	341
Sherwood	1,019	983
Red Hill	528	562
Terryberry	1,090	1,112
Picton	222	220
Children's librarian service	269	237
	<u>4,675</u>	<u>4,624</u>
Total operating expenditure	14,208	14,282
Transfers to own reserves	<u>1,810</u>	<u>1,710</u>
	<u>16,018</u>	<u>15,992</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>-</u>	<u>-</u>

The Hamilton Public Library Board

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1998

(All dollar amounts are in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

Revenues and expenditures are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of a receipt of goods or services and the creation of a legal obligation to pay.

(b) Capital Assets

The historical cost and accumulated amortization for capital assets are not recorded. Purchases of capital assets are charged either directly to operations in the year in which the expenditures occur, or to a reserve established for the purchase of capital assets.

(c) Capital Outlay to be Recovered

Capital outlay to be recovered represents the principal portion of unmatured long term liabilities incurred to finance capital expenditures.

2. NET LONG TERM LIABILITIES AND DEBT CHARGES

These statements reflect only the current operations of the Library and do not show the capital outlay to be recovered, long term debt or debt charges, with the exception of the capital lease obligation referred to in note 2 (c).

(a) Debt charges were incurred during the year as follows:

	1998	1997
	\$	\$
Principal	393	357
Sinking Fund Deposit	254	248
Interest	393	468
	<u>1,040</u>	<u>1,073</u>

(b) Principal payments are due as follows:

	\$
1999	645
2000	213
2001	213
2002	202
2003	201
thereafter	269
	<u>1,743</u>

The Hamilton Public Library Board

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1998

(All dollar amounts are in thousands of dollars)

2. NET LONG TERM LIABILITIES AND DEBT CHARGES - (continued)

(c) Capital lease obligation

The Hamilton Public Library Board is committed to the following minimum lease payments under the terms of capital lease obligations expiring in November 2001.

		\$
Future minimum lease payments		134
Less: amounts representing interest at a weighted rate of 4.02%		<u>5</u>
		<u>129</u>
Principal repayments are as follows:		
	1999	85
	2000	35
	2001	<u>9</u>
		<u>129</u>

3. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Effective May 1, 1982 the Income Protection Plan was adopted and sick leave credits earned under the Sick Leave Benefit Plan were frozen. Under the Sick Leave Benefit Plan unused sick leave would accumulate and employees were entitled to cash payment upon termination of services after ten continuous years. Entitlement to cash payment continues to apply to those employees who earned credits under this plan. The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to \$417 (1997 - \$417) at the end of the year. Cash payments made in lieu of sick leave are included in the expenditures of the year in which services are terminated but no provision is made for the year in which the liability is incurred. The current year's expenditure of \$1 (1997 - \$29) for sick leave liability is not reflected in the Library's Statement of Revenue and Expenditure, but is included in the City's Consolidated Statement of Operations.

4. UTILITY CHARGES

The total operating expenditures for utilities supplied by the Central Utilities Plant to the Library amount to \$409 for 1998 (1997 - \$421). The cost of utilities is not reflected in the Library's Statement of Revenue and Expenditure, but are included in the City's Consolidated Statement of Operations.

5. COMMITMENTS

Minimum future lease payments for various premises and equipment are as follows:

	\$
1999	483
2000	325
2001	332
2002	339
2003	<u>345</u>
	<u>1,824</u>

The Hamilton Public Library Board

6. PENSION AGREEMENTS

The Hamilton Public Library makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of 228 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amounts contributed to OMERS are included in the Statement of Revenue and Expenditure. The current year's expenditure is \$211 (1997 - \$527).

7. RESERVES AND RESERVE FUNDS

	1998 \$	1997 \$
BALANCE - Beginning of year	<u>1,241</u>	<u>1,479</u>
REVENUE		
Contributions from revenue fund	1,810	1,710
Interest	60	47
Donations and other	<u>34</u>	<u>34</u>
	<u>1,904</u>	<u>1,791</u>
EXPENDITURE		
Purchase of library material	1,727	2,028
Replacement and repairs	<u>-</u>	<u>1</u>
	<u>1,727</u>	<u>2,029</u>
BALANCE - End of year	<u><u>1,418</u></u>	<u><u>1,241</u></u>
Reserves and reserve funds consist of:		
Replacement of equipment	263	222
Repairs to grounds	70	58
Repairs to buildings	233	223
Replacement of films	-	195
Replacement of photocopier	30	23
Purchase of books	609	319
Miscellaneous collections	94	90
Automated acquisition system	10	10
Non-book library materials	<u>109</u>	<u>101</u>
	<u><u>1,418</u></u>	<u><u>1,241</u></u>

The Hamilton Public Library Board

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1998

(All dollar amounts are in thousands of dollars)

8. TRUST FUNDS

	1998 \$	1997 \$
BALANCE - Beginning of year	<u>1,475</u>	<u>1,413</u>
REVENUE		
Interest	154	82
Donations and other	<u>64</u>	<u>-</u>
	<u>218</u>	<u>82</u>
EXPENDITURES	<u>54</u>	<u>20</u>
BALANCE - End of year	<u><u>1,639</u></u>	<u><u>1,475</u></u>
Trust funds consist of:		
Special Gifts	695	656
F. Walden Bequest	44	42
M. Waldon Thomson Bequest	24	23
Ketha McLaren Memorial Fund	16	15
Capital Endowment Fund	412	368
Permanent Endowment Fund	448	357
Centennial Buy-A-Book Campaign	<u>-</u>	<u>14</u>
	<u><u>1,639</u></u>	<u><u>1,475</u></u>

9. UNCERTAINTY RELATING TO THE YEAR 2000 ISSUE

The Year 2000 issue arises because many computerized systems may be unable to process information that is date sensitive (primarily dates falling in the year 2000, although the potential exists for dates in the year 1999).

The effects of the Year 2000 issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect the Board's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 issue affecting the Board, including those related to the efforts of customers, suppliers, or other third parties will be fully resolved.

The Hamilton Public Library Board

SCHEDULE OF EXPENDITURES

CENTRAL LIBRARY ADMINISTRATION and TECHNICAL SERVICES

for the year ended December 31, 1998

(in thousands of dollars)

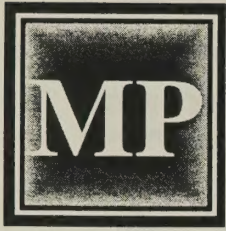
	1998	1997
	\$	\$
Administration	1,105	1,186
Operations	744	773
Audio/Visual	126	145
Boys and Girls	248	244
QUIC information	450	485
Special acquisitions	327	324
Business, science and technology	706	717
Social sciences and history	451	422
Fiction, language and literature	578	575
Fine arts	357	403
VLS/CED	275	294
Literacy	90	72
Bookmobiles	396	396
Circulation	621	603
Interlibrary loans	1	1
Public relations and publicity	373	422
Planning process	242	230
Acquisitions	441	468
Automated cataloguing	475	488
Final processing	98	86
Overdues	23	22
Automated library system	838	804
Common area, meeting rooms and staff room	93	50
Information Express	-	1
Photocopier services	38	32
Grants	437	415
	<u>9,533</u>	<u>9,658</u>



THE HAMILTON AND SCOURGE FOUNDATION

FINANCIAL STATEMENTS

December 31, 1998



MacGillivray
Partners
Chartered Accountants

AUDITORS' REPORT

To the Board of Directors of the Hamilton
and Scourge Foundation, Inc., Members of Council,
Inhabitants and Ratepayers of The Corporation of
the City of Hamilton

We have audited the balance sheet of the **Hamilton and Scourge Foundation, Inc.** as at December 31, 1998 and the statement of revenue, expense and deficit for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Foundation derives revenue from fund-raising activities and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue for the year, assets and deficit.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 1998 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Hamilton, Canada
May 3, 1999

MacGillivray Partners
CHARTERED ACCOUNTANTS

The Hamilton and Scourge Foundation, Inc.

BALANCE SHEET December 31, 1998

	1998 \$	1997 \$
ASSETS	--	--
	--	--
LIABILITIES		
Current		
Loan payable – City of Hamilton (note 2)	69,629	69,629
DEFICIT	(69,629)	(69,629)
	--	--

STATEMENT OF REVENUE, EXPENSE AND DEFICIT for the year ended December 31, 1998

	1998 \$	1997 \$
Revenue	--	--
Expense	--	--
EXCESS OF REVENUE FOR THE YEAR	--	--
DEFICIT – Beginning of year	(69,629)	(69,629)
DEFICIT – End of year	(69,629)	(69,629)

See accompanying notes to the financial statements

The Hamilton and Scourge Foundation, Inc.

NOTES TO THE FINANCIAL STATEMENTS December 31, 1998

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Foundation are the representation of management prepared in accordance with generally accepted accounting principles. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Accounting Entity

The Hamilton and Scourge Foundation, Inc. was incorporated on January 29, 1981 by letters patent as a corporation without share capital.

The purpose of the Foundation is to receive and disburse funds on behalf of the "Hamilton" and "Scourge" project, in accordance with the City of Hamilton Act, 1979. As such, the Foundation is accounted for separately from the "Hamilton" and "Scourge" project undertaken by the Corporation of the City of Hamilton, the financial activities of which are reported on the consolidated statement of operations of that municipality.

Upon the dissolution of the Foundation and after payment of all debts and liabilities, its remaining property shall be distributed or disposed of to The Corporation of the City of Hamilton.

(b) Basis of Accounting

Revenue and expense are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(c) Capital Assets

The historical cost and accumulated amortization for capital assets are not recorded for financial statement purposes. Capital assets are reported as an expense in the year of acquisition.

(d) Donations

Donations are recorded as revenue when received.

2. LOAN PAYABLE TO THE CORPORATION OF THE CITY OF HAMILTON

On May 25, 1982, The Corporation of the City of Hamilton approved a loan to The Hamilton and Scourge Foundation, Inc. to a maximum of \$75,000. The loan is interest free and due on demand.



MacGillivray
Partners
Chartered Accountants

HAMILTON HOUSING COMPANY LIMITED

ANNUAL REPORT

The Directors of Hamilton Housing
Company Limited, Members of the
Audit Panel and members of the Committee
of the City of Hamilton

FINANCIAL STATEMENTS

December 31, 1998

Hamilton, Ontario
November 1998

For the City of Hamilton
CITY OF HAMILTON



MacGillivray

Partners

Chartered Accountants

AUDITORS' REPORT

To the Shareholders of Hamilton Housing
Company Limited, Members of Council,
Inhabitants and Ratepayers of The Corporation
of the City of Hamilton

We have audited the balance sheet of the **Hamilton Housing Company Limited** as at December 31, 1998 and the statement of operations - shelter and statement of continuity of reserves for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1998 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

Hamilton, Canada
March 30, 1999

Mac Gillivray Partners
CHARTERED ACCOUNTANTS

Hamilton Housing Company Limited

BALANCE SHEET December 31, 1998

	1998 \$	1997 \$
ASSETS		
Current		
Cash	15,958	24,467
Due from City of Hamilton	52,759	212,339
Accounts receivable	6,000	5,713
Rents receivable	3,171	704
Prepaid expenses	3,626	5,264
	<u>81,514</u>	<u>248,487</u>
Capital		
Land	20,200	20,200
Buildings	391,291	391,291
Equipment	17,976	17,976
	<u>429,467</u>	<u>429,467</u>
Less accumulated amortization	<u>250,532</u>	<u>238,989</u>
	178,935	190,478
Downtown Housing Project in progress (note 3)	<u>389,724</u>	<u>93,926</u>
	568,659	284,404
	<u>650,173</u>	<u>532,891</u>
LIABILITIES		
Current		
Accounts payable	6,511	72,894
Holdbacks payable	134,293	-
Rent deposits payable	9,976	9,107
Tenants' advances	2,046	1,119
Current portion of mortgage payable	12,230	11,543
	<u>165,056</u>	<u>94,663</u>
Mortgage Payable (note 2)	<u>26,738</u>	<u>38,968</u>
RESERVES	<u>318,412</u>	<u>259,293</u>
EQUITY		
Capital stock (note 4)	59,500	59,500
Capital surplus	80,467	80,467
	<u>139,967</u>	<u>139,967</u>
	<u>650,173</u>	<u>532,891</u>

See accompanying notes to the financial statements

Hamilton Housing Company Limited

STATEMENT OF OPERATIONS – SHELTER for the year ended December 31, 1998

	1998 \$	1997 \$
REVENUE		
Rentals – tenants	248,238	245,527
Rent supplements – Government of Canada	20,731	20,745
Laundry equipment	1,774	2,128
Other revenue	10	
	<u>270,753</u>	<u>268,400</u>
EXPENSES		
Superintendent	14,158	14,160
Maintenance, Materials and Services		
Building – general	27,517	27,449
Grounds	6,135	5,980
	<u>33,652</u>	<u>33,429</u>
Utilities		
Electricity	20,251	19,766
Water	6,485	5,917
Fuel	18,514	16,612
	<u>45,250</u>	<u>42,295</u>
Property		
Insurance	1,997	1,363
Municipal taxes	88,508	71,169
Amortization of building – mortgage principal repayment	11,543	14,169
Mortgage interest	2,796	3,539
Goods and Services Tax (property manager – net)	1,450	1,429
Other	2,136	1,931
	<u>108,430</u>	<u>93,600</u>
Administration	29,914	29,914
Bad debts (recovery)	(10)	(170)
Audit fees	700	700
	<u>30,604</u>	<u>30,444</u>
Transfer to Reserve for Building Repairs	38,659	54,472
	<u>270,753</u>	<u>268,400</u>
EXCESS OF REVENUE (EXPENSES) FROM OPERATIONS	<u>–</u>	<u>–</u>

See accompanying notes to the financial statements

Hamilton Housing Company Limited

STATEMENT OF CONTINUITY OF RESERVES for the year ended December 31, 1998

	Total \$	Reserve for Building Repairs \$	Reserve for Operations \$	Reserve for Special Repairs \$
BALANCE – Beginning of year	259,293	155,713	2,447	101,133
Contribution from revenue fund	38,659	38,659	–	–
Interest on reserves	14,957	10,028	117	4,812
	<u>312,909</u>	<u>204,400</u>	<u>2,564</u>	<u>105,945</u>
Recoveries	5,503	5,503	–	–
BALANCE – End of year	<u><u>318,412</u></u>	<u><u>209,903</u></u>	<u><u>2,564</u></u>	<u><u>105,945</u></u>

See accompanying notes to the financial statements

Hamilton Housing Company Limited

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1998

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipal housing companies by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Capital Assets and Amortization

The land, building and equipment acquired with the proceeds from capital contributions and long term debt are recorded at original cost. To the extent that the capital assets so acquired were financed from the proceeds of long term debt, they are being amortized at an amount equal to the mortgage principal payments over the terms of the mortgages. The balance of the capital assets represented by the capital contributions are not being amortized and will be carried on the Balance Sheet indefinitely.

The cost of replacement equipment and major building repairs are charged to the reserve for building repairs and improvements in the year of occurrence.

2. MORTGAGE PAYABLE

As per agreements with the Canada Mortgage and Housing Corporation, the Hamilton Housing Company Limited is required to make blended mortgage payments to the maturity date of the mortgage instruments. The mortgages payable are as follows:

	1998 \$	1997 \$
Ada Pritchard Court Apartments bearing interest at 5.875%, with blended semi-annual payments of \$7,170 and maturing September 1, 2001	38,968	50,511
Less: Current portion	12,230	11,543
	<u>26,738</u>	<u>38,968</u>

Hamilton Housing Company Limited

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1998

2. MORTGAGE PAYABLE – (continued)

Scheduled principal repayments are as follows:

	\$
1999	12,230
2000	13,009
2001	13,729
	<u>38,968</u>

3. DOWNTOWN HOUSING PROJECT IN PROGRESS

The costs of the Downtown Housing Project in progress are net of contributions from the City of Hamilton in the amount of \$2,100,000.

4. CAPITAL STOCK

	1998 \$	1997 \$
Authorized 2,000 common shares with dividends limited to \$2.50 per share		
Issued 1,190 common shares	<u>59,500</u>	<u>59,500</u>

5. UNCERTAINTY RELATING TO THE YEAR 2000 ISSUE

The Year 2000 issue arises because many computerized systems may be unable to process information that is date sensitive (primarily dates falling in the year 2000, although the potential exists for dates falling in the year 1999).

The effects of the Year 2000 issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect the Company's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 issue affecting the Company, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.



MacGillivray
Partners
Chartered Accountants

THE HAMILTON MUNICIPAL RETIREMENT FUND

FINANCIAL STATEMENTS

December 31, 1998

Financial Statements
March 30, 1999

John J. MacGillivray
Partner



MacGillivray Partners

Chartered Accountants

AUDITORS' REPORT

To the Members of Council,
Inhabitants, and Ratepayers
of The Corporation of
the City of Hamilton

We have audited the statement of net assets available for benefits of the **Hamilton Municipal Retirement Fund** as at December 31, 1998 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 1998 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Hamilton, Canada
March 30, 1999

MacGillivray Partners
CHARTERED ACCOUNTANTS

The Hamilton Municipal Retirement Fund

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
for the year ended December 31, 1998
(in thousands of dollars)

	1998 \$	1997 \$
ASSETS		
Cash and equivalents (note 3)	4,462	7,497
Accrued investment income	948	950
Investments		
Bonds		
Federal	21,572	19,079
Provincial	13,439	6,799
Corporate	11,727	14,582
Supranational	7,184	7,168
Mortgages	207	215
Equities	70,258	76,395
	<u>124,387</u>	<u>124,238</u>
Due from City of Hamilton	260	125
	<u>130,057</u>	<u>132,810</u>
LIABILITIES		
Accounts payable	76	80
Liability for prior service agreement		
– O.M.E.R.S. transfer (note 4)	3,776	5,481
	<u>3,852</u>	<u>5,561</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>126,205</u></u>	<u><u>127,249</u></u>

The Hamilton Municipal Retirement Fund

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS for the year ended December 31, 1998 (in thousands of dollars)

	1998 \$	1997 \$
INCREASE IN ASSETS		
Investment Income	16,971	15,588
Current period change in market value of investments	(7,518)	2,252
Contributions		
Employee	7	27
	<u>9,460</u>	<u>17,867</u>
DECREASE IN ASSETS		
Pension payments	9,680	9,692
Administrative expenses	504	536
Interest expense – O.M.E.R.S.	320	431
Commutated pensions	–	205
	<u>10,504</u>	<u>10,864</u>
Increase (decrease) in assets	(1,044)	7,003
NET ASSETS AVAILABLE FOR BENEFITS		
at beginning of year	<u>127,249</u>	<u>120,246</u>
NET ASSETS AVAILABLE FOR BENEFITS		
at end of year	<u>126,205</u>	<u>127,249</u>

The Hamilton Municipal Retirement Fund

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

1. DESCRIPTION OF THE FUND

The following description of the Hamilton Municipal Retirement Fund (the Fund) is a summary only. For more complete information, reference should be made to the Fund's management.

(a) General

The Hamilton Municipal Retirement Fund (H.M.R.F.) was established effective January 1, 1957 under authority of By-law No. 7970 of the Corporation of the City of Hamilton.

All accumulated pension funds in respect of earlier pension plans were transferred to the Fund with the exception of those for the Government Annuities Branch contracts which are restricted in this respect.

In accordance with a provision of the Ontario Municipal Employees Retirement System (O.M.E.R.S.) from July 1, 1965, all new employees of the Corporation of the City of Hamilton are included under O.M.E.R.S. rather than the H.M.R.F. As a consequence, the membership of the H.M.R.F. has become closed to new entrants and will decrease as existing members terminate.

(b) Funding Policy

The Pension Commission of Ontario requires that The Corporation of the City of Hamilton, being the plan sponsor, must fund the benefits determined under the plan. The determination of the value of these benefits is made on the basis of an annual actuarial valuation (see note 6).

(c) Normal Pensions

A normal pension is available based on the number of years of credited service up to 35 times 2% of the best five years' average earnings reduced by a Canada Pension Plan (C.P.P.) reduction calculated at 0.7% of the lesser of the Year's Maximum Pensionable Earnings in the year of retirement and the best five year average earnings for each year of contributory service since January 1, 1966. The C.P.P. reduction does not take effect until the member is age 65.

(d) Disability Pensions

A disability pension is available calculated in the same manner as the normal pension except that the C.P.P. reduction is immediate.

(e) Early Retirement Pension

An early retirement pension is available to persons (on and after) age 50 for firefighters and age 55 for all others and is based on the accrued normal retirement pension beginning on the normal retirement date or an actuarial equivalent thereof beginning on retirement. There is no reduction after 30 years of contributory service for all other employees.

The Hamilton Municipal Retirement Fund

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

1. DESCRIPTION OF THE FUND – (continued)

(f) Death Benefits

If death occurs before retirement the benefit will be paid to the member's spouse or other named beneficiary. The payment to a spouse is the greater of the pension equal to a 60% Joint and Survivor based on 60% of the accrued pension plus an additional 10% for each child under 21 years of age up to a maximum of 75%, the minimum Ontario Death Benefit for post-1987 benefits and the 50% rule commuted value. The payment to other than a spouse is the greater of a refund of pre-1987 contributions plus interest, the minimum Ontario Death Benefit and the 50% rule commuted value. If death occurs after retirement, the benefit will be in accordance with the normal form of pension or, if elected by the member, one of several optional forms available.

(g) Withdrawal Benefits

If less than ten years of service has been completed, the refund will be the sum of the employee's contributions plus interest. If ten or more years of service have been completed, the employee has the option of a refund or accrued pension deferred to the normal retirement date except if the employee is at least age 45. In this case, only the deferred pension is available in respect of service after 1964.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fund are the representation of management prepared in accordance with generally accepted accounting principles. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Fund as a separate financial reporting entity independent of The Corporation of the City of Hamilton and pension plan members. The statements are prepared to assist plan members and others in reviewing the activities of the Fund for the fiscal period but do not portray the funding requirements of the plan or the benefit security of individual plan members.

(b) Investments

Investments in bonds and equities are stated at published market values. Mortgages are secured by real estate and are valued using current market yields.

The Hamilton Municipal Retirement Fund

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

3. CASH AND EQUIVALENTS

Cash and equivalents consist of cash on deposit with the Fund custodian and fund managers and investments in money market instruments with an initial maturity of three months or less. Cash and equivalents included in the statement of net assets available for benefits consist of the following:

	1998 \$	1997 \$
Cash on deposit with the fund custodian and managers	174	111
Investment in money market instruments	4,288	7,386
	<u>4,462</u>	<u>7,497</u>

4. LIABILITY FOR PRIOR YEAR SERVICE AGREEMENT

The liability is being repaid over two years and bears interest at 7% per annum. Principal repayments are as follows:

	\$
1999	1,824
2000	1,952
	<u>3,776</u>

5. OBLIGATIONS

The present value of accrued pension benefits was determined using the projected unit credit valuation method. An actuarial valuation was made as at December 31, 1997 by Watson Wyatt & Company, a firm of consultants and actuaries, and was then extrapolated to December 31, 1998.

The actuarial present value of benefits as at December 31 and the principal components of changes in actuarial present values during the year were as follows:

	1998 \$	1997 \$
Actuarial present value of accrued pension benefits – Beginning of year	84,444	85,399
Amendments to the plan	1,250	1,274
Interest accrued on benefits	5,618	5,760
Benefits accrued	49	68
Benefits paid	(9,680)	(9,897)
Experience loss	670	1,840
Actuarial present value of accrued pension benefits – End of year	<u>82,351</u>	<u>84,444</u>

The Hamilton Municipal Retirement Fund

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

5. OBLIGATIONS – (continued)

The assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long term market conditions. Significant long term actuarial assumptions used in the valuation were:

	1998	1997
Asset rate of return	7%	7%
Salary escalation rate	5%	5%

The actuarial value of net assets available for benefits has been determined at amounts that reflect long term market trends (consistent with assumptions underlying the valuation of the accrued pension benefits). The valuation is based on a five year market value moving average basis. Under this method the market value is the underlying basis, but fluctuations are averaged over a five year period.

The actuarial asset values used for the valuation were:

	1998 \$	1997 \$
Market value of net assets available for benefits	126,205	127,249
Market value changes not reflected in actuarial value of net assets	(18,988)	(22,818)
Actuarial value of net assets available for benefits	<u>107,217</u>	<u>104,431</u>

6. FUNDING POLICY

The most recent actuarial valuation for funding purposes was prepared by Watson Wyatt & Company as at December 31, 1997 and a copy of this valuation was filed with the Pension Commission of Ontario. The valuation disclosed an actuarial surplus of \$15,324.

Employees were required to contribute 5.0% of pensionable earnings up to the Year's Maximum Pensionable Earnings (Y.M.P.E.) and 6.5% of pensionable earnings over the Y.M.P.E. for a maximum of 35 years for firefighters where normal retirement age is 60. Effective August 1, 1998, employee contributions to the Fund ceased.

7. RELATED PARTY TRANSACTIONS

The administration of the Fund is handled by The Corporation of the City of Hamilton. Related costs of \$90 (1997 – \$93) are included in administration expenses in the Statement of Changes in Net Assets Available for Benefits.

The Hamilton Municipal Retirement Fund

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1998

(all dollar amounts are in thousands of dollars)

8. FINANCIAL INSTRUMENTS

The fund's financial instruments consist of cash and equivalents, accrued investment income, investments, accounts payable and liability for prior service agreement – O.M.E.R.S. transfer. Except as noted below, it is management's opinion that the Fund is not exposed to significant interest, currency, or credit risk arising from the financial statements.

The fund holds certain of its investments in United States dollars. As at December 31, 1998, the following balance was included in the financial statements:

	U.S. \$	Canadian Equivalent \$
Equities	<u>11,637</u>	<u>17,811</u>

9. UNCERTAINTY RELATING TO THE YEAR 2000 ISSUE

The Year 2000 issue arises because many computerized systems may be unable to process information that is date sensitive (primarily dates falling in the year 2000, although the potential exists for dates falling in the year 1999).

The effects of the Year 2000 issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect the Fund's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 issue affecting the Fund, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.



HAMILTON HYDRO-ELECTRIC SYSTEM

FINANCIAL STATEMENTS

December 31, 1998



MacGillivray

Partners

Chartered Accountants

AUDITORS' REPORT

To the Members of the Hydro-Electric Power Commission,
Members of Council, Inhabitants and Ratepayers of
The Corporation of the City of Hamilton

We have audited the balance sheet of **Hamilton Hydro-Electric System** as at December 31, 1998 and the statement of operations and utility equity and the statement of cash flows for the year then ended. These financial statements are the responsibility of the system's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the system as at December 31, 1998 and the results of its operations and its cash flows for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

*Hamilton, Canada
February 8, 1999*

MacGillivray Partners

CHARTERED ACCOUNTANTS

HAMILTON HYDRO-ELECTRIC SYSTEM

BALANCE SHEET *(in thousands of dollars)*

DECEMBER 31, 1998

ASSETS

Current

	1998	1997
Cash and equivalents <i>(note 2)</i>	\$ 65,952	\$ 62,843
Accounts receivable <i>(note 3)</i>	32,398	33,237
Inventories <i>(note 4)</i>	5,767	5,032
Other current assets <i>(note 5)</i>	<u>14,255</u>	<u>14,196</u>
	118,372	115,308

Capital Assets *(note 6)*

136,481	130,352
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Equity in Ontario Hydro *(note 7)*

<u>100,143</u>	<u>100,143</u>
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<u>\$ 354,996</u>	<u>\$ 345,803</u>
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LIABILITIES

Current

Accounts payable	\$ 39,657	\$ 39,735
Deposits	273	350
Vested sick leave	176	205
Current portion of obligations under capital lease	<u>276</u>	<u>184</u>
	<u>40,382</u>	<u>40,474</u>

Obligations Under Capital Lease *(note 8)*

<u>24</u>	<u>272</u>
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Contingent Liability *(note 14)*

UTILITY EQUITY *(note 9)*

214,447	204,914
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EQUITY IN ONTARIO HYDRO *(note 7)*

<u>100,143</u>	<u>100,143</u>
<u>314,590</u>	<u>305,057</u>

<u>\$ 354,996</u>	<u>\$ 345,803</u>
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Approved on behalf of the Commission

Chairman

Vice-Chairman

See accompanying Notes to the Financial Statements

HAMILTON HYDRO-ELECTRIC SYSTEM

STATEMENT OF OPERATIONS AND UTILITY EQUITY *(in thousands of dollars)*

FOR THE YEAR ENDED DECEMBER 31, 1998

	1998	1997
Service Revenue <i>(note 10)</i>	\$ 376,875	\$ 369,348
Service Revenue Adjustment <i>(note 11)</i>	<u>(99)</u>	<u>134</u>
	376,776	369,482
Cost of Power	<u>348,459</u>	<u>339,616</u>
Gross Margin on Service Revenue	28,317	29,866
Other Operating Revenue <i>(note 12)</i>	<u>5,805</u>	<u>4,511</u>
	<u>34,122</u>	<u>34,377</u>
Expenses		
Transmission	2,092	2,149
Overhead distribution	1,813	1,819
Underground distribution	1,253	1,273
Line transformers	381	398
Meters	1,393	1,210
Consumers' premises	1,106	1,227
Water heaters	217	227
Customer services	477	440
Billing and collecting	3,834	3,899
Administrative	3,392	3,299
Interest	100	86
Bad debts	598	524
Amortization	<u>8,450</u>	<u>7,827</u>
	<u>25,106</u>	<u>24,378</u>
Net Income for the Year	9,016	9,999
Utility Equity - Beginning of year	204,914	194,572
Capital Contributions	<u>517</u>	<u>343</u>
Utility Equity - End of year	<u>\$ 214,447</u>	<u>\$ 204,914</u>

See accompanying Notes to the Financial Statements

HAMILTON HYDRO-ELECTRIC SYSTEM

STATEMENT OF CASH FLOWS *(in thousands of dollars)*

FOR THE YEAR ENDED DECEMBER 31, 1998

	1998	1997
Cash Flows from Operating Activities		
Net income for the year	\$ 9,016	\$ 9,999
Adjustments for non-cash items		
Amortization	9,034	8,370
Gain on disposal of capital assets	<u>(92)</u>	<u>(22)</u>
	17,958	18,347
Changes in non-cash working capital <i>(note 13(a))</i>	<u>(62)</u>	<u>76</u>
	<u>17,896</u>	<u>18,423</u>
Cash Flows from Investing Activities		
Purchase of capital assets	(15,163)	(12,901)
Proceeds from sale of capital assets	<u>92</u>	<u>77</u>
	<u>(15,071)</u>	<u>(12,824)</u>
Cash Flows from Financing Activities		
Capital contributions received	517	343
Deposits	(77)	202
Payments under capital lease	<u>(156)</u>	<u>(68)</u>
	<u>284</u>	<u>477</u>
Increase in Cash and Equivalents	3,109	6,076
Cash and Equivalents - Beginning of year	<u>62,843</u>	<u>56,767</u>
Cash and Equivalents - End of year <i>(note 2)</i>	<u>\$ 65,952</u>	<u>\$ 62,843</u>

See accompanying Notes to the Financial Statements

HAMILTON HYDRO-ELECTRIC SYSTEM

NOTES TO THE FINANCIAL STATEMENTS *(in thousands of dollars)*

DECEMBER 31, 1998

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by Ontario Hydro under the authority of Section 96 of The Power Corporations Act and reflect the following policies as set forth in the manual "Accounting for Municipal Electrical Utilities in Ontario".

(a) Revenue Recognition

Service revenue is recorded on the basis of regular meter readings and estimates of customer usage since the last meter reading date to the end of the year.

(b) Inventories

Inventories of materials are valued at average cost.

(c) Capital Assets

Capital assets are recorded at amortized cost. Plant amortization is provided in accordance with the recommendations of Ontario Hydro. Capital assets in service as at December 31, 1979 are being amortized on a straight-line basis over their expected remaining useful life. Acquisitions from January 1, 1986 are amortized on a straight-line basis, generally using the following rates:

Buildings - brick	50 years
Buildings - other	25 years
Substation equipment	30 years
Overhead distribution	25 years
Underground distribution	25 years
Transformers	25 years
Meters	25 years
Office equipment	10 years
Computer equipment	5 years
Rolling stock	
Automobiles	4 years
Trucks under 3 tons	5 years
Trucks over 3 tons	8 years
Miscellaneous equipment	10 years
Radio equipment	10 years
Water heater equipment	8 years
Store department equipment	10 years
Systems supervisory equipment	15 years

Acquisitions from January 1, 1980 to December 31, 1985 are amortized on a straight-line basis, using January 1, 1986 rates except for:

Substation equipment	35 years
Underground distribution	40 years
Transformers	30 years
Meters	35 years

HAMILTON HYDRO-ELECTRIC SYSTEM

NOTES TO THE FINANCIAL STATEMENTS *(in thousands of dollars)*

DECEMBER 31, 1998

2. CASH AND EQUIVALENTS

	1998	1997
Petty cash and change funds	\$ 8	\$ 8
Cash in transit and on deposit at The Canadian Imperial Bank of Commerce	197	268
Investments at The Canadian Imperial Bank of Commerce	<u>65,747</u>	<u>62,567</u>
	<u>\$ 65,952</u>	<u>\$ 62,843</u>

3. ACCOUNTS RECEIVABLE

	1998	1997
Electrical energy	\$ 31,361	\$ 31,559
Miscellaneous	<u>1,447</u>	<u>2,156</u>
	32,808	33,715
Allowance for doubtful accounts	<u>410</u>	<u>478</u>
	<u>\$ 32,398</u>	<u>\$ 33,237</u>

4. INVENTORIES

	1998	1997
Materials	\$ 5,754	\$ 5,024
Postage	<u>13</u>	<u>8</u>
	<u>\$ 5,767</u>	<u>\$ 5,032</u>

5. OTHER CURRENT ASSETS

	1998	1997
Unbilled revenue	\$ 12,959	\$ 13,058
Prepaid insurance	203	198
Prepaid memberships	112	131
Accrued interest income	289	224
Recoverable work in process	656	549
Deposit with The Workers' Safety Insurance Board	<u>36</u>	<u>36</u>
	<u>\$ 14,255</u>	<u>\$ 14,196</u>

HAMILTON HYDRO-ELECTRIC SYSTEM

NOTES TO THE FINANCIAL STATEMENTS *(in thousands of dollars)*

DECEMBER 31, 1998

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value	
			1998	1997
Plant				
Land	\$ 856	\$ -	\$ 856	\$ 856
Buildings	13,532	7,049	6,483	6,653
Substation equipment	7,119	3,982	3,137	3,161
Overhead distribution	28,786	7,577	21,209	19,132
Underground distribution	111,886	41,330	70,556	68,537
Transformers	34,040	15,680	18,360	18,066
Meters	<u>15,313</u>	<u>6,767</u>	<u>8,546</u>	<u>8,457</u>
	211,532	82,385	129,147	124,862
Equipment				
Office equipment	1,471	1,037	434	414
Computer equipment	2,071	1,614	457	528
Rolling stock	6,725	4,636	2,089	1,999
Miscellaneous and radio equipment	3,048	1,805	1,243	1,032
Water heater equipment	250	194	56	112
Stores department equipment	213	152	61	33
Systems supervisory equipment	<u>4,024</u>	<u>1,030</u>	<u>2,994</u>	<u>1,372</u>
	<u>\$ 229,334</u>	<u>\$ 92,853</u>	<u>\$ 136,481</u>	<u>\$ 130,352</u>

7. EQUITY IN ONTARIO HYDRO

To the extent that the cost of electrical energy purchased from Ontario Hydro includes amounts required to cover its debt principal repayments, the Hamilton Hydro-Electric System is deemed to have accumulated an equity in Ontario Hydro. The balance of the System's equity in Ontario Hydro as at December 31, 1996, which is the most recent period for which this information is available, was \$ 100,143.

Ontario Hydro has not provided the System with the required information as at December 31, 1997 and, accordingly, the balance of equity in Ontario Hydro has not been updated from the balance reported in the comparative figures.

HAMILTON HYDRO-ELECTRIC SYSTEM

NOTES TO THE FINANCIAL STATEMENTS *(in thousands of dollars)*

DECEMBER 31, 1998

8. OBLIGATIONS UNDER CAPITAL LEASE

The system has the following future minimum lease payments under capital leases expiring in 2000.

1999	\$ 297
2000	<u>27</u>
Total minimum lease payments	324
Less amount representing interest at 6.47 %	<u>24</u>
	300
Less current portion	<u>276</u>
	\$ <u>24</u>

9. UTILITY EQUITY

	1998	1997
Accumulated net income	\$ 206,898	\$ 197,882
Capital contributions	<u>7,549</u>	<u>7,032</u>
	\$ <u>214,447</u>	\$ <u>204,914</u>

10. SERVICE REVENUE

	1998	1997
Domestic	\$ 81,820	\$ 79,828
Commercial	66,077	65,260
Industrial	227,799	222,870
Street lighting	<u>1,179</u>	<u>1,390</u>
	\$ <u>376,875</u>	\$ <u>369,348</u>

11. SERVICE REVENUE ADJUSTMENT

The method used to estimate unbilled service revenue is calculated by pro-rating the actual consumption for the period over the unbilled days.

	1998	1997
Unbilled revenue - Beginning of year	\$ 13,058	\$ 12,924
Increase (decrease) in unbilled revenue - current year	<u>(99)</u>	<u>134</u>
Unbilled revenue - End of year	\$ <u>12,959</u>	\$ <u>13,058</u>

HAMILTON HYDRO-ELECTRIC SYSTEM

NOTES TO THE FINANCIAL STATEMENTS *(in thousands of dollars)*

DECEMBER 31, 1998

12. OTHER OPERATING REVENUE

	1998	1997
Water heater rentals	\$ 415	\$ 440
Penalty charges	1,341	1,348
Pole rentals	334	310
Profit on sale of material and/or services	2	-
Interest earned	3,133	1,898
Building and other rentals	45	44
Gain on disposal of capital assets	92	22
Reconnection and collection charges	67	63
Sale of scrap material	64	157
Miscellaneous	<u>312</u>	<u>229</u>
	<u>\$ 5,805</u>	<u>\$ 4,511</u>

13. STATEMENT OF CASH FLOWS

(a) Changes in Non-Cash Working Capital

	1998	1997
Accounts receivable	\$ 839	\$ (1,276)
Inventories	(735)	59
Other current assets	(59)	(308)
Accounts payable	(78)	1,621
Vested sick leave	<u>(29)</u>	<u>(20)</u>
	<u>\$ (62)</u>	<u>\$ 76</u>

(b) Interest Paid

	1998	1997
Interest paid	\$ 100	\$ 86

HAMILTON HYDRO-ELECTRIC SYSTEM

NOTES TO THE FINANCIAL STATEMENTS *(in thousands of dollars)*

DECEMBER 31, 1998

14. CONTINGENT LIABILITY

A class action claiming \$ 500 million in restitutionary payments plus interest was served on Toronto Hydro on November 8, 1998. The action was initiated against Toronto Hydro-Electric Commission as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario which have charged Late Payment charges on overdue utility bills at any time after April 1, 1981.

The claim is that late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, which is illegal under section 347(1)(b) of the Criminal Code.

The Municipal Electric Association is undertaking the defense of this class action. At this time it is not possible to quantify the effect, if any, on the financial statements of the Hydro-Electric System.

Accordingly, no provision has been made in these financial statements with respect to any possible losses that may arise as a result of this matter.

15. UNCERTAINTY RELATING TO THE YEAR 2000 ISSUE

The Year 2000 issue arises because many computerized systems may be unable to process information that is date sensitive (primarily dates falling in the year 2000, although the potential exists for dates falling in the year 1999).

The effects of the Year 2000 issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect the system's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 issue affecting the system, including those related to the efforts of customers, suppliers, or other third parties will be fully resolved.

16. INDUSTRY RESTRUCTURING

The Ontario Government enacted the Energy Competition Act, 1998 to introduce competition to the Ontario electricity market by the year 2000. Under the terms of this legislation, the Ontario Energy Board will regulate industry participants by issuing licences for the right to generate, transmit, distribute or retail electricity. These licences will require compliance with established market rules and codes.

Pursuant to this legislation, the City of Hamilton, as owner of the System, must enact a By-Law by November 7, 2000 to authorize the incorporation of one or more companies created for the purpose of continuing the current distributing and retailing activities of the System. This By-Law will also authorize the transfer of all assets and liabilities of the System to the appropriate newly created corporations.



MacGillivray
Partners
Chartered Accountants

**MUNICIPAL
NON-PROFIT (HAMILTON)
HOUSING CORPORATION**

***FINANCIAL
STATEMENTS***

December 31, 1998



MacGillivray
Partners
Chartered Accountants

AUDITORS' REPORT

To the Directors of Municipal
Non-Profit (Hamilton) Housing Corporation,
Members of Council, Inhabitants
and Ratepayers of The Corporation of
the City of Hamilton

We have audited the balance sheet of the **Municipal Non-Profit (Hamilton) Housing Corporation** as at December 31, 1998 and the statement of operations - shelter and the reserves and reserve fund statement of continuity for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1998 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

Hamilton, Canada
March 30, 1999

MacGillivray Partners
CHARTERED ACCOUNTANTS

Municipal Non-Profit (Hamilton) Housing Corporation

BALANCE SHEET December 31, 1998

	1998 \$	1997 \$
ASSETS		
Current		
Cash	122,822	340,835
Accounts receivable	557,820	2,256,617
Rents receivable (note 2)	113,511	113,173
Prepaid expenses	691,951	645,025
Due from City of Hamilton	2,942,681	999,382
	<u>4,428,785</u>	<u>4,355,032</u>
Capital		
Land	12,827,964	12,827,964
Buildings	64,501,844	64,501,844
Equipment	696,983	696,983
	<u>78,026,791</u>	<u>78,026,791</u>
Less — accumulated amortization	3,109,917	2,193,193
	<u>74,916,874</u>	<u>75,833,598</u>
Escrow Funds (note 8)	324,397	313,819
	<u>75,241,271</u>	<u>76,147,417</u>
	<u>79,670,056</u>	<u>80,502,449</u>
LIABILITIES, RESERVE AND RESERVE FUND BALANCES		
Current		
Accounts payable	163,748	159,757
Tenants' guarantee deposits	76,398	88,404
Accrued interest payable	430,504	417,040
Current portion of mortgage payable	1,026,999	959,084
Government contribution payable (note 7)	779,118	1,377,708
	<u>2,476,767</u>	<u>3,001,993</u>
Mortgages Payable (note 3)	74,168,787	75,153,426
RESERVES AND RESERVE FUND BALANCES		
Capital reserve fund (note 4)	2,237,277	1,832,354
Rent stabilization reserve (note 5)	48,489	46,287
Interest equity on escrow funds (note 8)	45,485	34,907
Reserve for operations (note 7)	693,251	433,482
	<u>3,024,502</u>	<u>2,347,030</u>
	<u>79,670,056</u>	<u>80,502,449</u>

See accompanying notes to the financial statements

Municipal Non-Profit (Hamilton) Housing Corporation

STATEMENT OF OPERATIONS – SHELTER for the year ended December 31, 1998

	1998 \$	1997 \$
REVENUE		
Rental revenue	4,261,529	3,833,787
Government operating subsidies	6,361,278	5,028,154
Laundry and other revenue	77,837	46,899
	<u>10,700,644</u>	<u>8,908,840</u>
EXPENSES		
Superintendent costs	<u>326,842</u>	<u>264,403</u>
Maintenance, materials and services		
Building – general maintenance	427,190	297,332
Grounds	159,260	129,980
Painting	68,785	60,199
	<u>655,235</u>	<u>487,511</u>
Utilities		
Electricity	165,225	114,664
Water	190,185	142,458
Fuel	134,058	118,870
	<u>489,468</u>	<u>375,992</u>
Property		
Insurance	41,644	37,502
Municipal taxes	1,751,030	1,535,530
Amortization of building		
– mortgage principal repayment	916,724	646,751
Mortgage interest	5,063,160	4,240,140
Legal fees	4,569	14,556
Bad debts	56,944	34,222
Goods and Services Tax (property managers–net)	29,130	22,668
Other	50,623	18,927
	<u>7,913,824</u>	<u>6,550,296</u>
Administration	562,899	500,346
Audit fees	21,729	17,285
	<u>584,628</u>	<u>517,631</u>
Transfer to Capital Reserve Fund	<u>353,568</u>	<u>116,224</u>
	<u>10,323,565</u>	<u>8,312,057</u>
Excess of revenue from operations (note 7)	<u>377,079</u>	<u>596,783</u>

See accompanying notes to the financial statements

Municipal Non-Profit (Hamilton) Housing Corporation

RESERVES AND RESERVE FUND STATEMENT OF CONTINUITY for the year ended December 31, 1998

	1998 \$	1997 \$
CAPITAL RESERVE FUND (note 4)		
BALANCE – Beginning of year	1,832,354	378,333
Provision	353,568	116,224
Interest revenue	104,309	16,914
Expenditure	(313,269)	(111,252)
Additional funding	260,315	1,432,135
BALANCE – End of year	<u>2,237,277</u>	<u>1,832,354</u>
RENT STABILIZATION RESERVE (note 5)		
BALANCE – Beginning of year	46,287	44,756
Interest revenue	2,202	1,531
BALANCE – End of year	<u>48,489</u>	<u>46,287</u>
RESERVE FOR OPERATIONS (note 7)		
BALANCE – Beginning of year	433,482	152,236
Adjustment arising from Ministry of Housing review	201,577	205,387
Adjustments	4,515	37,154
Interest revenue	53,677	38,705
BALANCE – End of year	<u>693,251</u>	<u>433,482</u>

See accompanying notes to the financial statements

Municipal Non-Profit (Hamilton) Housing Corporation

NOTES TO THE FINANCIAL STATEMENTS December 31, 1998

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation are the representation of management prepared in accordance with accounting policies acceptable for non-profit housing corporations. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) Basis of Accounting

Revenue and expenses are recorded on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Capital Assets and Amortization

Capital assets are recorded at original cost. Amortization is charged at an amount equal to the mortgage principal reduction. Replacement of equipment and major repairs are not capitalized but charged to a reserve fund in the year of acquisition.

(c) Rents Receivable

The rents receivable do not contain an allowance for doubtful accounts.

2. RENTS RECEIVABLE

Included in the rents receivable are amounts totalling \$54,594 (1997 - \$69,152) which are outstanding greater than 90 days.

3. MORTGAGES PAYABLE

	1998 \$	1997 \$
Mortgage payable to the Canada Mortgage and Housing Corporation for 772 Upper Paradise, bearing interest at 7.22%, repayable in blended monthly instalments of \$16,953, maturing September 1, 2001	2,286,769	2,326,012
Mortgage payable to the Toronto Dominion Bank for 580 Limeridge Road East, bearing interest at 5.35%, repayable in blended monthly instalments of \$22,221, maturing December 1, 2002	3,620,129	3,693,125
Mortgage payable to the Bank of Nova Scotia for 470 StoneChurch Road East, bearing interest at 8.65%, repayable in blended monthly instalments of \$33,180, maturing January 1, 2003	4,077,111	4,126,618
Carried forward	9,984,009	10,145,755

Municipal Non-Profit (Hamilton) Housing Corporation

NOTES TO THE FINANCIAL STATEMENTS December 31, 1998

3. MORTGAGES PAYABLE – (continued)

	1998 \$	1997 \$
Carried forward	9,984,009	10,145,755
Mortgage payable to the Canada Mortgage and Housing Corporation for 75 Wentworth and Ashley/Century, bearing interest at 5.43%, repayable in blended monthly instalments of \$21,345, maturing December 1, 2003	3,709,943	3,751,795
Mortgage payable to the Canada Mortgage and Housing Corporation for 1150 Limeridge Road East, bearing interest at 9.2%, repayable in blended monthly instalments of \$39,439, maturing March 1, 2000	4,739,062	4,782,349
Mortgage payable to the Canada Mortgage and Housing Corporation for 1781 King Street East, bearing interest at 6.19 %, repayable in blended monthly instalments of \$8,793, maturing January 1, 2002	1,414,718	1,433,162
Mortgage payable to Canada Life Mortgage Services Ltd. for 67 Ossington Drive, bearing interest at 10.97%, repayable in blended monthly instalments of \$20,819, maturing January 1, 2002	2,213,641	2,225,401
Mortgage payable to the Toronto Dominion Bank for 1081 Rymal Road East, bearing interest at 6.209%, repayable in blended monthly instalments of \$15,682, maturing June 1, 2002	2,532,694	2,564,555
Mortgage payable to the Bank of Nova Scotia for 10 Brock Street, bearing interest at 8.58%, repayable in blended monthly instalments of \$9,446, maturing May 1, 1999	1,240,553	1,248,974
Mortgage payable to the Toronto Dominion Bank for 25 Towercrest Drive, bearing interest at 9.47%, repayable in blended monthly instalments of \$64,092, maturing June 1, 1999	7,788,927	7,832,232
Mortgage payable to the Canada Mortgage and Housing Corporation for 1285 Upper Gage, bearing interest at 9.06%, repayable in blended monthly instalments of \$11,900, maturing August 1, 1999	1,463,836	1,475,871
Mortgage payable to the CIBC Mortgage Corporation for 430 Cumberland, bearing interest at 5.33%, repayable in blended monthly instalments of \$83,386, maturing October 1, 1999	15,344,133	15,540,400
Carried forward	50,431,516	51,000,494

Municipal Non-Profit (Hamilton) Housing Corporation

NOTES TO THE FINANCIAL STATEMENTS December 31, 1998

3. MORTGAGES PAYABLE – (continued)

	1998 \$	1997 \$
Carried forward	50,431,516	51,000,494
Mortgage payable to the Canada Mortgage and Housing Corporation for 101 Broadway Avenue, bearing interest at 9.2%, repayable in blended monthly instalments of \$27,743, maturing March 1, 2000	3,420,117	3,443,131
Mortgage payable to the Bank of Montreal for 1100 Limeridge Avenue East, bearing interest at 6.239%, repayable in blended monthly instalments of \$30,298, maturing February 1, 2002	5,083,760	5,132,333
Mortgage payable to the Canada Mortgage and Housing Corporation for 1900 Main Street West, bearing interest at 4.89%, repayable in blended monthly instalments of \$89,215, maturing May 1, 1999	16,260,393	16,536,552
	<u>75,195,786</u>	<u>76,112,510</u>
Current portion	1,026,999	959,084
	<u>74,168,787</u>	<u>75,153,426</u>

The mortgages payable are secured by way of a first mortgage on the land and premises, the general assignment of rents and leases, and a chattel mortgage.

Approximate principal repayments are as follows:

\$

1999	1,027,000
2000	1,087,000
2001	1,150,000
2002	1,218,000
2003 and subsequent	<u>70,714,000</u>
	<u>75,196,000</u>

4. CAPITAL RESERVE FUND

The provision for the capital reserve fund as well as the use and disposition of the reserve fund requires approval from the Ministry of Housing. Cash and securities in the amount funded are held by the City of Hamilton and are included on the Balance Sheet netted against "Due from the City of Hamilton".

5. RENT STABILIZATION RESERVE

The amount of revenue set aside for this reserve is based on market unit operational surpluses and requires approval by the Ministry of Housing. This reserve may be used to stabilize rent increases or fund shortfalls in revenue.

Municipal Non-Profit (Hamilton) Housing Corporation

NOTES TO THE FINANCIAL STATEMENTS December 31, 1998

6. INTEREST ADJUSTMENT DATE

The statement of operations covers the period from the interest adjustment date or January 1, 1998, whichever is later, to December 31, 1998. All operating costs incurred on the project to the interest adjustment date less all revenues received to that date are capitalized as capital assets. The following interest adjustment dates, determined by the Ministry of Housing, represent mortgage commencement dates:

772 Upper Paradise Road	July 1, 1986
580 Limeridge Road East	December 1, 1987
470 Stone Church Road East	January 1, 1988
1150 Limeridge Road East	January 1, 1990
75 Wentworth Street North	January 1, 1992
1781 King Street East	January 1, 1992
67 Ossington Drive	January 1, 1992
1081 Rymal Road East	June 1, 1992
10 Brock Street	May 1, 1994
25 Towercrest Drive	June 1, 1994
1285 Upper Gage	August 1, 1994
430 Cumberland Avenue	October 1, 1994
101 Broadway Avenue	January 1, 1995
1100 Limeridge Avenue East	February 1, 1996
1900 Main Street West	June 1, 1992

7. GOVERNMENT CONTRIBUTION PAYABLE / RESERVE FOR OPERATIONS

The government contribution payable contains the excess of revenue from operations before Ministry of Housing review of expenses, revenue and operating subsidies. This review process is known as "reconciliation", after which the net payable/receivable is determined. Any differences result in a surplus or deficit which is credited or charged to the Reserve for Operations.

8. ESCROW FUNDS

The mortgage monies advanced exceed the total final capital costs for the following projects:

	Escrow Amount \$	Accrued Interest \$	Total Escrow Amount \$	Mortgage Maturity
10 Brock Street	559	140	699	May 1, 1999
25 Towercrest Drive	255,072	40,206	295,278	June 1, 1999
1285 Upper Gage	2,272	502	2,774	Aug. 1, 1999
430 Cumberland Avenue	2,122	468	2,590	Oct. 1, 1999
101 Broadway Avenue	18,887	4,169	23,056	Jan. 1, 2000
	<u>278,912</u>	<u>45,485</u>	<u>324,397</u>	

The Ministry of Municipal Affairs and Housing has instructed the Corporation to return the escrow funds to the lenders. The funds have been deposited in escrow accounts held by the lenders. The total escrow amounts will reduce their respective mortgages at maturity.

Municipal Non-Profit (Hamilton) Housing Corporation

NOTES TO THE FINANCIAL STATEMENTS December 31, 1998

9. INCORPORATION

The Corporation was incorporated under Letters Patent dated March 13, 1985 as a corporation without share capital. On January 28, 1994 Supplementary Letters Patent were issued.

10. UNCERTAINTY RELATING TO THE YEAR 2000 ISSUE

The Year 2000 issue arises because many computerized systems may be unable to process information that is date sensitive (primarily dates falling in the year 2000, although the potential exists for dates falling in the year 1999).

The effects of the Year 2000 issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect the Corporation's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 issue affecting the Corporation, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

FINANCIAL
INFORMATION
RETURN

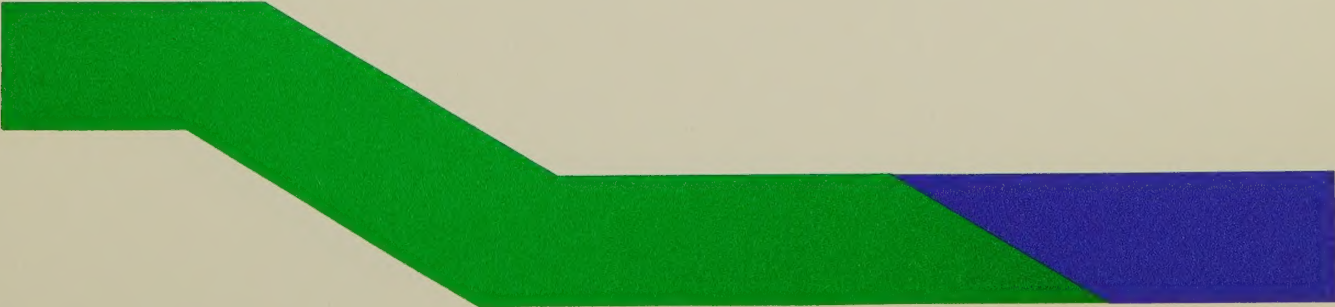
December 31, 1998

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City of
HAMILTON

FINANCIAL INFORMATION RETURN

December 31, 1998

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City of
HAMILTON

FINANCIAL INFORMATION RETURN

December 31, 1998

1998 FINANCIAL INFORMATION RETURN

MUNICIPALITY: **Hamilton C** 2518

in the Region, County or District of: **Hamilton - Wentworth R** N

DECLARATION OF THE MUNICIPAL TREASURER

Pursuant to the information required by the Province under the Municipal Affairs Act, the following schedules are attached:

		Edit Check	Completed
1	Analysis of Revenue Fund Revenues	0	Y
2LT-OP	Analysis of Taxation - Own Purposes	0	Y
2LT-UT	Analysis of Taxation - Upper Tier Purposes	0	Y
2LT-SB	Analysis of Taxation - School Board Purposes	0	Y
2UT	Analysis of Upper Tier Requisitions and Direct Charges	0	NA
3	Analysis of Current Revenue for Specific Functions	0	Y
4	Analysis of Revenue Fund Expenditures	0	Y
5	Analysis of Capital Operations	0	Y
6	Analysis of Capital Grants and Own Expenditures	0	Y
7	Analysis of Net Long Term Liabilities by Function	0	Y
8	Analysis of Long Term Liabilities and Commitments	0	Y
9LT	Continuity of Upper Tier and School Board Levies	-325,461	Y
10	Continuity of Reserves and Reserve Funds	0	Y
11	Analysis of Consolidated Year End Balances	0	Y
12	Statistical Data	0	Y
16	Analysis of User Fees	0	Y
17	Property Tax Reform Tools	0	Y

The schedules have been drawn up in accordance with the instructions provided by the Ministry of Municipal Affairs and Housing. They represent the consolidated financial activities of the municipality, all local boards, including joint boards where applicable and any other local corporate entities set up by the municipality to provide services to ratepayers. The consolidated local boards and entities are:

Hamilton Entertainment and Convention Facilities	(Cross reference for shedule 9LT is an error in the computer program - as per Ministry of Municipal Affairs and Housing)
Hamilton Public Library Board	
Barton General Business Improvement Area	--
Concession Street Business Improvement Area	--
Downtown Promenade Business Improvement Area	--
International Village Business Improvement Area	--
Main Street West Esplanade Business Improvement Area	--
Westdale Business Improvement Area	--
--	--
--	--

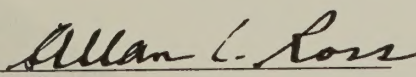
Trust funds administered by the municipality and its local boards, harbour commissions, humane societies, municipal non-profit housing corporations, provincial-municipal housing authorities, sinking funds, retirement or pension plan funds, school boards, conservation authorities, children's aid societies, district health councils, municipal hospitals and gas, telephone and hydro utilities are not consolidated.

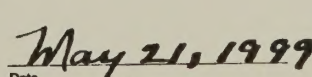
The schedules have been prepared by:
The City of Hamilton

Questions regarding the information contained in them should be addressed to:
M. B. Chandrashekar, Supervisor of Accounting
at:
(905) 546-4531

Control Data:	\$	\$
Total Revenue - S1 L51 C1	568,153,099	Total Assets - S11 L21 C1 232,957,592
Total Expenditures S4 L51 C7	189,429,517	Edit Checks out of balance -325,461

Edit Checks Out of Balance! Please correct.


Municipal Treasurer


Date



City of HAMILTON

MEMBERS OF CITY COUNCIL (for a term to expire 2000 November)

	Mayor R. M. Morrow
Ward One	Alderman M. Kiss Alderman M. Caplan
Ward Two	Alderman A. Horwath Alderman R. Corsini
Ward Three	Alderman B. Morelli Alderman D. Haining
Ward Four	Alderman D. Wilson Alderman G. Copps
Ward Five	Alderman C. Collins Alderman F. Eisenberger
Ward Six	Alderman T. Jackson Alderman B. Charters
Ward Seven	Alderman T. Anderson Alderman B. Kelly
Ward Eight	Alderman F. D'Amico Alderman D. O'Sullivan



MacGillivray

Partners

Chartered Accountants

To the Ministry of Municipal Affairs

Our audit of the consolidated financial statements of **The Corporation of the City of Hamilton** for the year ended December 31, 1998 was made for the purpose of forming an opinion on the consolidated financial statements referred to in our auditors' report to the Members of Council, Inhabitants and Ratepayers, dated May 10, 1999. Schedules 1 to 12 and 16 and 17 of the 1998 Financial Information Return have not been prepared on the same basis as the consolidated financial statements.

For the purposes of this report we have performed, at your request, the following procedures in connection with Schedules 1 to 11 of the Financial Information Return of The Corporation of the City of Hamilton for the year ended December 31, 1998:

- (a) We have compared amounts disclosed on these schedules to the books and records of the City and found them to be in agreement;
- (b) We have added and cross-added all schedules and found them to be arithmetically correct; and
- (c) We have checked the cross-references indicated in the "Cross-References to Other Schedules" section for each of the above noted schedules, as outlined in the "Instructions for Completing the 1998 Financial Information Return", and found all such cross-references to be in agreement.

The above noted procedures do not constitute an audit of these schedules. Therefore, we do not express an opinion on Schedules 1 to 11 and, in addition, we have performed no procedures on Schedules 12, 16 and 17 of the 1998 Financial Information Return.

Hamilton, Canada
May 10, 1999

Mac G. Gillivray Partners

CHARTERED ACCOUNTANTS

ANALYSIS OF REVENUE FUND REVENUES

for the year ended December 31, 1998

Municipality

Hamilton C

1
3

		total revenue	upper tier purposes	school board purposes	own purposes
		1	2	3	4
		\$	\$	\$	\$
Taxation					
Taxation from schedules 2LTxx	1	485,832,044	210,001,315	153,442,130	122,388,599
(or requisitions from schedule 2UT)	1	0			0
Direct water billings on ratepayers					
—own municipality	2	0			
—other municipalities	3	0			
Sewer surcharge on direct water billings					
—own municipality	4	0			
—other municipalities	5	0			
Subtotal	6	485,832,044	210,001,315	153,442,130	122,388,599
Payments in lieu of taxes					
Canada	7	1,221,871	772,389		449,482
Canada enterprises	8	0			
Ontario					
The Municipal Tax Assistance Act	9	0			
The Municipal Act, section 157	10	1,517,250	782,804		734,446
Other	11	273,000	140,851		132,149
Ontario enterprises					
Ontario Housing Corporation	12	8,266,023	4,860,695	892,404	2,712,924
Ontario Hydro	13	3,198,725	1,954,769	104,931	1,139,025
Liquor Control Board of Ontario	14	134,305	84,899		49,406
Other	15	1,087,717	688,860		398,857
Municipal enterprises	16	5,186,223	3,277,733		1,908,490
Other municipalities and enterprises	17	0			
Subtotal	18	20,885,114	12,363,000	997,335	7,524,779
Ontario non-specific grants					
Community Reinvestment Fund	62	2,977,000			2,977,000
Special Transition Assistance	63	0			
Special Circumstances Fund	64	0			
Municipal Restructuring Fund	65	0			
	61	0			
Subtotal	66	2,977,000			2,977,000
Revenues for specific functions					
Ontario specific grants	29	1,062,233			1,062,233
Canada specific grants	30	281,059			281,059
Other municipalities - grants and fees	31	554,532			554,532
Fees and service charges	32	37,446,487			37,446,487
Subtotal	33	39,344,311			39,344,311
Other revenue					
Trailer revenue and licences	34	0			
Licences and permits	35	4,260,985			4,260,985
Rents, concessions and franchises	36	0			
Fines	37	3,099,718			3,099,718
Penalties and interest on taxes	38	6,409,925			6,409,925
Investment income - from own funds	39	683,266			683,266
- other	40	0			
Donations	70	0			
Sale of publications, equipment, etc.	42	180,366			180,366
Contributions from capital fund	43	0			
Contributions from reserves and reserve funds	44	1,851,337			1,851,337
Contributions from non consolidated entities	45	248,215			248,215
Vehicle Insurance	46	212,747			212,747
Miscellaneous	47	168,071			168,071
--	48	0			
Subtotal	50	17,114,630	0	0	17,114,630
Total revenue	51	566,153,099	222,364,315	154,439,465	189,349,319

CONTINUITY OF ACCUMULATED NET REVENUE (DEFICIT)

The following is a verification of the continuity of Accumulated Net Revenue (Deficit).

Accumulated net revenue (deficit), December 31, 1997

(Enter the total of Lines 42 to 55 on Schedule 11 from the 1997 F.I.R.)

A 770,982

1998 Revenues (Schedule 1, Line 51, Column 4)

B 189,349,319

1998 Expenditures (Schedule 4, Line 51, Column 7)

C 189,429,517

Total - A+B-C

D 690,784

Actual Accumulated net revenue (deficit), Dec. 31, 1998 (Schedule 11, Lines 42 to 5

E 690,784

Difference - D minus E

0

Normally, the difference should be zero or a relatively small number. Please explain any large difference.

ANALYSIS OF TAXATION - OWN PURPOSES

Municipality

Hamilton C

2LT-OP

41

for the year ended December 31, 1998

Levy Code	Levy Purpose	RTC/ RTQ	RTC/RTQ Description	Tax Band	Taxable Assessment	Tax Rate	Taxes Levied
1	2	3	4	5	7	8	9
Ctrl L		Ctrl O		Ctrl B	\$	%	\$
						0.xxxxxx	
1	100	General taxation	RT Taxable at the full Residential and F	0	10,322,069,182	0.557270	57,521,836
2	100	General taxation	MT Taxable at the full Multi-Residential r	0	1,150,437,633	1.706028	19,626,785
3	100	General taxation	CT Taxable at the full Commercial rate.	1	447,430,219	1.295422	5,796,108
4	100	General taxation	CT Taxable at the full Commercial rate.	2	749,803,902	1.524025	11,427,202
5	100	General taxation	CU Taxable at the "Commercial - Vacant	1	127,473,738	0.906795	1,155,926
6	100	General taxation	CU Taxable at the "Commercial - Vacant	2	137,641,829	1.066818	1,468,388
7	100	General taxation	ST Taxable at the full "Shopping Centre"	0	453,969,543	1.455537	6,607,693
8	100	General taxation	SU Taxable at the "Shopping Centre - V	0	28,300,360	1.018876	288,345
9	100	General taxation	GT Taxable at the full "Parking Lot" rate.	0	56,039,259	1.435306	804,335
10	100	General taxation	IT Taxable at the full Industrial rate.	1	83,603,481	2.024578	1,692,618
11	100	General taxation	IT Taxable at the full Industrial rate.	2	47,530,362	2.530722	1,202,862
12	100	General taxation	IU Taxable at the "Industrial - Vacant un	1	3,925,614	1.315976	51,660
13	100	General taxation	IU Taxable at the "Industrial - Vacant un	2	3,390,215	1.644969	55,768
14	100	General taxation	LT Taxable at the full "Large Industrial" r	0	483,078,310	2.628645	12,698,412
15	100	General taxation	LU Taxable at the "Large Industrial - Va	0	18,850,678	1.708619	322,086
16	100	General taxation	PT Taxable at the full Pipeline rate.	0	49,921,000	0.785640	392,199
17	100	General taxation	FT Taxable at the full Farmlands rate.	0	1,100,800	0.139318	1,534
18	100	General taxation	TT Taxable at the full Managed Forests	0	36,000	0.139318	50
19				0			0
20				0			0
21	3300	Press Ctrl R for more rows	Total supplementary taxes				
22	4000		Subtotal levied by tax rate				121,113,807
23							
24	2200	Local improvements					380,698
25	2300	Sewer and water service charges					
26	2400	Sewer and water connection charges					
27	2500	Fire service charges					
28	2600	Minimum tax (differential only)					
29	2700	Municipal drainage charges					
30	2800	Waste management collection charges					
31	2900	Business improvement area					270,822
32	3400	Railway rights-of-way					157,182
33	3500	Utility transmission and utility corridors					
34	3000	Supplementary					446,182
35	3600	Miscellaneous					19,908
36	3100		Subtotal special charges on tax bills				1,274,792
37	3200		Total own purpose taxation				122,388,599

ANALYSIS OF TAXATION - UPPER TIER PURPOSES

Municipality

Hamilton C

2LT-UP

42

for the year ended December 31, 1998

Levy Code	Levy Purpose	RTC/RTQ	RTC/RTQ Description	Tax Band	Taxable Assessment	Tax Rate	Taxes Levied
1	2	3	4	5	7	8	9
					\$	%	\$
						0.000000	
1	100	General taxation	RT Taxable at the full Residential and F	0	10,322,069,182	0.957367	98,820,063
2	100	General taxation	MT Taxable at the full Multi-Residential r	0	1,150,437,633	2.930883	33,717,981
3	100	General taxation	CT Taxable at the full Commercial rate.	1	447,430,219	2.226059	9,960,061
4	100	General taxation	CT Taxable at the full Commercial rate.	2	749,803,902	2.618893	19,636,563
5	100	General taxation	CU Taxable at the "Commercial - Vacant	1	127,473,738	1.558241	1,986,349
6	100	General taxation	CU Taxable at the "Commercial - Vacant	2	137,641,829	1.833225	2,523,285
7	100	General taxation	ST Taxable at the full "Shopping Centre"	0	453,969,543	2.499143	11,345,349
8	100	General taxation	SU Taxable at the "Shopping Centre - V	0	28,300,360	1.749400	495,087
9	100	General taxation	GT Taxable at the full "Parking Lot" rate.	0	56,039,259	2.465794	1,381,813
10	100	General taxation	IT Taxable at the full Industrial rate.	1	83,603,481	3.457055	2,890,218
11	100	General taxation	IT Taxable at the full Industrial rate.	2	47,530,362	4.321319	2,053,938
12	100	General taxation	IU Taxable at the "Industrial - Vacant un	1	3,925,614	2.247086	88,212
13	100	General taxation	IU Taxable at the "Industrial - Vacant un	2	3,390,215	2.808857	95,226
14	100	General taxation	LT Taxable at the full "Large Industrial" r	0	483,076,310	4.515900	21,815,331
15	100	General taxation	LU Taxable at the "Large Industrial - Va	0	18,850,678	2.935335	553,330
16	100	General taxation	PT Taxable at the full Pipeline rate.	0	49,921,000	1.349696	673,782
17	100	General taxation	FT Taxable at the full Farmlands rate.	0	1,100,800	0.239342	2,635
18	100	General taxation	TT Taxable at the full Managed Forests	0	36,000	0.239342	86
19	0			0	0		0
20	0			0	0		0
21	3300	Use S2L Top for more rows	Total supplementary taxes				
22	4000		Subtotal levied by tax rate				208,039,309
23							
24	2200	Local improvements					949,331
25	2300	Sewer and water service charges					
26	2400	Sewer and water connection charges					
27	2500	Fire service charges					
30	2800	Waste management charges					
32	3400	Railway rights-of-way					270,098
33	3500	Utility transmission and utility corridors					
34	3000	Supplementary					742,577
35	3800	Miscellaneous					
36	3100		Subtotal special charges on tax bills				1,962,006
37	3200		Total upper tier purposes				210,001,315

**ANALYSIS OF TAXATION -
SCHOOL BOARDS**

Year ended December 31, 1996

Municipality

Hamilton C

2LT-SB

				Distribution by Purpose				
Code	Tax Band	Tax Rate	Total	English	French	English	French	
				Language	Language	Language	Language	
				Public DES	Public DES	Catholic DES	Catholic DES	
				1	2	3	4	
				5	6	7	8	
CUIC				9	10	11	12	
0.00000				13	14	15	16	
Residential/Multi-Resid/Farmland/Managed Forests								
Residential and farm - general	100	1	0.460000	146,932,499	99,758,285	812,265	45,316,511	1,245,438
- farmland pending development - Pha	200	2		0				
- farmland pending development - Pha	300	3		0				
Multi-residential - general	400	4	0.460000	5,292,013	3,605,231	22,126	1,637,725	26,931
- farmland pending development - Pha	500	5		0				
- farmland pending development - Pha	600	6		0				
Farmland	700	7	0.115000	1,266	862	5	392	7
Managed forests	800	8	0.115000	41	28	1	11	1
	900	9		0				
Subtotal Residential/MR/F/MF	1000	10		152,225,819	103,364,406	634,397	46,954,639	1,272,377
Commercial								
	11	0						
	12	0						
	13	0						
	14	0						
	15	0						
	16	0						
	17	0						
	18	0						
	19	0						
	20	0						
	21	0						
	22	0						
	23	0						
	24	0						
	25	0						
	26	0						
	27	0						
	28	0						
	29	0						
	30	0						
	31	0						
	32	0						
	33	0						
	34	0						
Subtotal Commercial	9200	35		0				
Industrial								
	36	0						
	37	0						
	38	0						
	39	0						
	40	0						
	41	0						
	42	0						
	43	0						
	44	0						
	45	0						
	46	0						
	47	0						
	48	0						
	49	0						
	50	0						
Subtotal Industrial	9300	51		0				
Pipeline	4100	52		0				
Other	4200	53		0				
Supplementary taxes	4300	54		708,315	604,341	3	103,685	286
Subtotal levied by tax rate	9400	55		152,934,134	103,968,747	634,400	47,058,324	1,272,663
Railway rights-of-way	5100	56		507,996	346,078	2,124	157,210	2,584
Utility transmission/distribution corridor	5200	57		0				
	5300	58		0				
Subtotal special charges on tax bills	9500	59		507,996	346,078	2,124	157,210	2,584
Total school board purposes	9900	60		153,442,130	104,314,825	636,524	47,215,534	1,275,247

Please enter the breakdown of Column 3
in Columns 4, 5, 6 and 7

Please enter the breakdown of Column 3
in Columns 4, 5, 6 and 7

**ANALYSIS OF CURRENT REVENUE
FOR SPECIFIC FUNCTIONS**

for the year ended December 31, 1998

Municipality

Hamilton C

3

7

		Ontario specific grants	Canada grants	other municipalities- grants, fees, and service charges	fees and service charges
		1	2	3	4
		\$	\$	\$	\$
General government	1	1,030		1,338	8,837,264
Protection to persons and property					
Fire	2			256,291	94,360
Police	3				
Conservation authority	4				
Protective inspection and control	5				21,807
Emergency measures	6				
Subtotal	7	0	0	256,291	116,167
Transportation services					
Roadways	8			184,822	2,851,541
Winter control	9			32,977	112,514
Transit	10				85,000
Parking	11				5,469,096
Street lighting	12				42,840
Air transportation	13				
--	14				
Subtotal	15	0	0	217,799	8,560,991
Environmental services					
Sanitary sewer system	16				
Storm sewer system	17				
Waterworks system	18				625
Garbage collection	19				
Garbage disposal	20				
Pollution control	21				35,747
--	22				
Subtotal	23	0	0	0	36,372
Health services					
Public health services	24				
Public health inspections and control	25				
Hospitals	26				
Ambulance services	27				
Cemeteries	28				1,237,587
--	29				
Subtotal	30	0	0	0	1,237,587
Social and family services					
General assistance	31				
Assistance to aged persons	32	78,973			63,507
Assistance to children	33				
Day nurseries	34				
--	35				
Subtotal	36	78,973	0	0	63,507
Social housing	90				
Recreation and cultural services					
Parks and recreation	37				14,974,678
Libraries	38	867,031	190,279	79,104	491,328
Other cultural	39	115,199			883,138
Subtotal	40	982,230	190,279	79,104	16,349,144
Planning and development					
Planning and zoning	41				876,992
Commercial and industrial	42				647,250
Residential development	43		90,780		437,101
Agriculture and reforestation	44				284,112
Tile drainage/shoreline assistance	45				
--	46				
Subtotal	47	0	90,780	0	2,245,455
Electricity	48				
Gas	49				
Telephone	50				
Total	51	1,062,233	281,059	554,532	37,446,487

ANALYSIS OF REVENUE FUND
EXPENDITURES
for the year ended December 31, 1998

Municipality

Hamilton C

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		salaries, wages and employee benefits	net long term debt charges	materials, services, rents and financial expenses	transfers to own funds	other transfers	inter- functional transfers	total expenditure	
		1	2	3	4	5	6	7	
		\$	\$	\$	\$	\$	\$	\$	
General government	1	15,630,265	592,532	15,606,751	9,499,955	227,759		41,757,262	1
Protection to persons and property									
Fire	2	26,403,049	510,361	1,890,101	850,657	245		31,654,413	2
Police	3							0	3
Conservation authority	4		97,027					97,027	4
Protective inspection and control	5	4,355,151		1,347,817	1,632	2,893		5,707,493	5
Emergency measures	6							0	6
Subtotal	7	32,758,200	607,388	3,237,918	852,289	3,138	0	37,458,933	7
Transportation services									
Roadways	8	10,482,086	4,431,205	4,512,981	1,149,073	18,874		20,594,199	8
Winter control	9	1,057,221		1,803,933				2,861,154	9
Transit	10							0	10
Parking	11	822,867	618,501	3,391,483	776,346			5,809,197	11
Street lighting	12			1,746,152				1,746,152	12
Air transportation	13							0	13
--	14							0	14
Subtotal	15	12,362,154	5,249,706	11,454,549	1,925,419	18,874	0	31,010,702	15
Environmental services									
Sanitary sewer system	16							0	16
Storm sewer system	17							0	17
Waterworks system	18			21,825				21,825	18
Garbage collection	19	3,761,708		1,426,423				5,188,131	19
Garbage disposal	20							0	20
Pollution control	21	150,476		16,034				166,512	21
--	22							0	22
Subtotal	23	3,912,186	0	1,464,282	0	0	0	5,376,468	23
Health services									
Public health services	24							0	24
Public health inspections and control	25							0	25
Hospitals	26							0	26
Ambulance services	27							0	27
Cemeteries	28	1,888,904		672,983	47,227		313	2,609,427	28
--	29							0	29
Subtotal	30	1,888,904	0	672,983	47,227	0	313	2,609,427	30
Social and family services									
General assistance	31							0	31
Assistance to aged persons	32	283,391		88,885		1,217,376		1,589,652	32
Assistance to children	33					287,155		287,155	33
Day nurseries	34							0	34
--	35							0	35
Subtotal	36	283,391	0	88,885	0	1,504,531	0	1,876,807	36
Social housing	90							0	90
Recreation and cultural services									
Parks and recreation	37	22,821,014	5,068,498	13,267,258	716,024	302,642		42,175,436	37
Libraries	38	11,436,856	1,040,166	2,979,834	1,809,880			17,266,556	38
Other cultural	39	1,985,044	12,843	1,282,273	541	39,089		3,319,790	39
Subtotal	40	36,242,714	6,121,527	17,529,365	2,526,445	341,731	0	62,761,782	40
Planning and development									
Planning and zoning	41	1,520,334		56,970	179	1,270		1,578,753	41
Commercial and industrial	42	327,060	933,803	582,467		5,702		1,849,032	42
Residential development	43	418,451	447,948	58,913		1,081		927,393	43
Agriculture and reforestation	44	1,578,550		644,406				2,222,956	44
Tile drainage/shoreline assistance	45							0	45
--	46							0	46
Subtotal	47	3,844,395	1,381,751	1,343,756	179	8,053	0	6,578,136	47
Electricity	48							0	48
Gas	49							0	49
Telephone	50							0	50
Total	51	107,122,209	13,952,904	61,398,491	14,851,514	2,104,086	313	189,429,517	51

Hamilton C

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		0
		\$
Total of column 2 Includes:		
Payments to Ontario in respect of Down-town Revitalization Program loans	81	
Accrued interest (enter an amount only if the change to the accrual basis was made in this reporting year)	82	
Interest portion of transit debt charges included on line 10	83	
Total of column 3 Includes:		
Ontario Clean Water Agency		
Provincial projects service charges		
- water	52	
- sewer	53	
Provincial projects frontage and connection charges - water	57	
- sewer	58	
Joint projects operating charges		
- water	54	
- sewer	55	
O.P.P. policing	56	
Short term interest costs	60	
Ontario Property Assessment Corporation	64	
Total of column 5 Includes:		
Grants to charitable and non-profit organizations	62	1,006,236
Grants to universities and colleges	63	
Go Transit	85	
Contributions to UNCONSOLIDATED joint local boards		
Health unit	64	
District welfare board	65	
Home for the aged	66	
Recreation board(s)	67	
Fire area board	68	
Suburban roads commission	69	
Senior citizens' tax credit	70	1,097,850
--	71	
Line 1 of column 7 Includes:		
Members of council	72	1,553,861
Line 51 of column 7 Includes:		
Payments in respect of long term commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board or Council, as the case may be. Exclude debt charges reported in column 2.	73	

ANALYSIS OF CAPITAL OPERATIONS

Municipality

Hamilton C

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for the year ended December 31, 1998

		1	\$
Unfinanced capital outlay (Unexpended capital financing) at the beginning of the year	1		-12,858,886
Sources of financing			
Contributions from own funds			
Revenue fund	2		2,000,000
Reserves and reserve funds	3		19,169,091
Subtotal	4		21,169,091
Long term liabilities incurred			
Central Mortgage and Housing Corporation	5		
Ontario Financing Authority	7		
Commercial Area Improvement Program	9		
Other Ontario housing programs	10		
Ontario Clean Water Agency	11		
Tile drainage and shoreline property assistance programs	12		
Serial debentures	13		
Sinking fund debentures	14		
Long term bank loans	15		
Long term reserve fund loans	16		
--	17		
Subtotal*	18		0
Grants and loan forgiveness			
Ontario	20		4,222,756
Canada	21		364,983
Other municipalities	22		33,341
Subtotal	23		4,621,080
Other financing			
Prepaid special charges	24		58,084
Proceeds from sale of land and other capital assets	25		4,495,395
Investment income			
From own funds	26		
Other	27		
Donations	28		135,740
Miscellaneous revenue	30		271,108
--	31		
Subtotal	32		4,960,327
Total sources of financing	33		30,760,498
Applications			
Own expenditures			
Short term interest costs	34		
Other	35		31,267,119
Subtotal	36		31,267,119
Transfers of proceeds from long term liabilities to:			
Other municipalities	37		
Unconsolidated local boards	38		
Individuals	39		
Subtotal	40		0
Transfers to reserves, reserve funds and the revenue fund	41		4,821,791
Total applications	42		36,088,910
Unfinanced capital outlay (Unexpended capital financing) at the end of the year	43		-7,520,474
Amount reported in line 43 analysed as follows:			
Unapplied capital receipts (negative)	44		-20,708,912
To be recovered from:			
- taxation or user charges within term of council	45		
- proceeds from long term liabilities	46		
- transfers from reserves and reserve funds	47		12,934,616
- other (specify) - accounts receivable	48		253,822
Total unfinanced capital outlay (unexpended capital financing)	49		-7,520,474
* - amount in line 18 raised on behalf of other municipalities	19		

**ANALYSIS OF CAPITAL GRANTS
AND OWN EXPENDITURES**
for the year ended December 31, 1998

Municipality

Hamilton C

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		CAPITAL GRANTS			TOTAL OWN EXPENDITURES
		Ontario grants	Canada grants	Other municipalities	
		1	2	3	4
		\$	\$	\$	\$
General government	1	119,327			3,116,104
Protection to persons and property					
Fire	2	86,943			-142,062
Police	3				
Conservation authority	4				
Protective inspection and control	5				760
Emergency measures	6				
Subtotal	7	86,943	0	0	-141,302
Transportation services					
Roadways	8	2,853,781		3,327	12,874,282
Winter control	9				
Transit	10				
Parking	11				95,344
Street lighting	12				32
Air transportation	13				
--	14				
Subtotal	15	2,853,781	0	3,327	12,969,658
Environmental services					
Sanitary sewer system	16				135,269
Storm sewer system	17				
Waterworks system	18				
Garbage collection	19				
Garbage disposal	20				
Pollution control	21				388,892
--	22				
Subtotal	23	0	0	0	524,161
Health services					
Public health services	24				
Public health inspections and control	25				
Hospitals	26				
Ambulance services	27				
Cemeteries	28				32,355
--	29				
Subtotal	30	0	0	0	32,355
Social and family services					
General assistance	31				
Assistance to aged persons	32				
Assistance to children	33				
Day nurseries	34				
--	35				
Subtotal	36	0	0	0	0
Social housing	90				
Recreation and cultural services					
Parks and recreation	37	1,162,705	364,983	30,014	10,993,218
Libraries	38				293,224
Other cultural	39				1,408,211
Subtotal	40	1,162,705	364,983	30,014	12,694,653
Planning and development					
Planning and zoning	41				79,741
Commercial and industrial	42				275,198
Residential development	43				1,716,551
Agriculture and reforestation	44				
Tile drainage/shoreline assistance	45				
--	46				
Subtotal	47	0	0	0	2,071,490
Electricity	48				
Gas	49				
Telephone	50				
Total	51	4,222,756	364,983	33,341	31,267,119

**ANALYSIS OF NET LONG TERM
LIABILITIES BY FUNCTION**
as at December 31, 1998

Municipality

Hamilton C

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		1 \$
General government	1	2,405,948
Protection to persons and property		
Fire	2	2,025,815
Police	3	
Conservation authority	4	232,600
Protective inspection and control	5	
Emergency measures	6	
Subtotal	7	2,258,415
Transportation services		
Roadways	8	17,462,138
Winter control	9	
Transit	10	
Parking	11	55,553
Street lighting	12	
Air transportation	13	
--	14	
Subtotal	15	17,517,691
Environmental services		
Sanitary sewer system	16	
Storm sewer system	17	
Waterworks system	18	
Garbage collection	19	
Garbage disposal	20	
Pollution control	21	
--	22	
Subtotal	23	0
Health services		
Public health services	24	
Public health inspections and control	25	
Hospitals	26	
Ambulance services	27	
Cemeteries	28	
--	29	
Subtotal	30	0
Social and family services		
General assistance	31	
Assistance to aged persons	32	
Assistance to children	33	
Day nurseries	34	
--	35	
Subtotal	36	0
Social housing	90	
Recreation and cultural services		
Parks and recreation	37	20,769,975
Libraries	38	2,635,404
Other cultural	39	
Subtotal	40	23,405,379
Planning and development		
Planning and zoning	41	
Commercial and industrial	42	884,157
Residential development	43	1,596,888
Agriculture and reforestation	44	
Tile drainage/shoreline assistance	45	
--	46	
Subtotal	47	2,481,045
Electricity	48	
Gas	49	
Telephone	50	
Total	51	48,068,478

**ANALYSIS OF LONG TERM
LIABILITIES AND COMMITMENTS**
for the year ended December 31, 1998

Municipality

Hamilton C

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		1	\$
1. Calculation of debt burden of the municipality			
All debt issued by the municipality, predecessor municipalities and consolidated entities			
: To Ontario and agencies		1	
: To Canada and agencies		2	
: To other		3	
Subtotal		4	0
Plus: All debt assumed by the municipality from others			
		5	76,387,630
Less: All debt assumed by others			
: Ontario		6	
: Schoolboards		7	
: Other municipalities		8	
Subtotal		9	0
Less: Ontario Clean Water Agency debt retirement funds			
-sewer		10	
-water		11	
Own sinking funds (actual balances)			
-general		12	28,319,152
-enterprises and other		13	
Subtotal		14	28,319,152
Total		15	48,068,478
Amount reported in line 15 analyzed as follows:			
Sinking fund debentures		16	46,694,300
Installment (serial) debentures		17	1,374,178
Long term bank loans		18	
Lease purchase agreements		19	
Mortgages		20	
Ontario Clean Water Agency		22	
Long term reserve fund loans		23	
-		24	
2. Total debt payable in foreign currencies (net of sinking fund holdings)			
U.S. dollars - Canadian dollar equivalent included in line 15 above			
- per value of this amount in U.S. dollars		25	
Other - Canadian dollar equivalent included in line 15 above		27	
- per value of this amount in U.S. dollars		28	
3. Interest earned on sinking funds and debt retirement funds during the year			
Own funds		29	2,386,197
Ontario Clean Water Agency - sewer		30	
-water		31	
4. Actuarial balance of own sinking funds at year end			
		32	28,319,153
5. Long term commitments and contingencies at year end			
Total liability for accumulated sick pay credits			
		33	9,990,961
Total liability under OMERS plans			
-Initial unfunded (payable over yrs.)	0 (no. of employees)	0	34
-actuarial deficiency (payable over yrs.)	0		35
Total liability for own pension funds			
-Initial unfunded (payable over yrs.)	0 (no. of employees)	0	36
-actuarial deficiency (payable over yrs.)	0		37
Outstanding loans guarante (payable over yrs.)	0		38
Commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board or Council, as the case may be			
-hospital support		39	
-university support		40	
-leases and other agreements		41	
Other (specify) -		42	
-		43	
-		44	
Total		45	9,990,961

6. Ontario Clean Water Agency Provincial Projects

	accumulated surplus(deficit)	total outstanding capital obligation	debt charges
	1	2	3
	\$	\$	\$
Water projects - for this municipality only	46		
- share of integrated project(s)	47		
Sewer projects - for this municipality only	48		
- share of integrated project(s)	49		

7. 1998 Debt Charges

	principal	interest
	1	2
	\$	\$
Recovered from the consolidated revenue fund		
-general tax rates	50	5,807,691
-special area rates and special charges	51	
-benefitting landowners	52	202,335
-user rates (consolidated entities)	53	385,713
Recovered from reserve funds	54	
Recovered from unconsolidated entities		
-hydro	55	
-gas and telephone	56	
--	57	
--	58	
--	59	
Total	78	6,395,739
Line 78 includes:		
Financing of one-time real estate purchase	90	
Other lump sum (balloon) repayments of long term debt	91	

8. Future principal and interest payments on EXISTING net debt

	recoverable from the consolidated revenue fund		recoverable from reserve funds		recoverable from unconsolidated entities	
	principal	interest	principal	interest	principal	interest
	1	2	3	4	5	6
	\$	\$	\$	\$	\$	\$
1999	60	3,625,190	6,389,112			
2000	61	5,221,042	5,550,314			
2001	62	13,144,484	4,848,461			
2002	63	14,439,132	4,134,832			
2003	64	1,749,506	2,197,019			
2004-2008	65	9,878,317	3,610,003			
2009 onwards	66	10,807	1,101			
Interest to be earned on sinking funds *	67		26,688,455			
Downtown revital- ization program	70					
Total	71	48,068,478	53,419,297	0	0	0

*includes interest to be earned on Ontario Clean Water Agency debt retirement funds

9. Future principal payments on EXPECTED NEW debt

	1
	\$
1999	72
2000	73
2001	74
2002	75
2003	76
Total	77

10. Other notes (attach supporting schedule as required)

11. Long term debt refinanced:

Repayment of Provincial Special Assistance
Other long term debt refinanced

	principal	interest
	1	2
	\$	\$
	92	
	93	

CONTINUITY OF UPPER TIER AND SCHOOL BOARD LEVIES

for the year ended December 31, 1998

Municipality
Hamilton C

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		balance at beginning of year	amounts levied	supplementary taxes	total expended	amount of levy raised	share of Provincial grants	share of payments in lieu of taxes	other	total raised	balance at end of year	
UPPER TIER		1	2	3	4	5	8	9	10	12	11	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Included in general tax rate for upper tier purposes												
General levy	1		180,054,541	742,577	180,797,118							1
Special purpose levies												
Water rate	2				0							2
Transit rate	3		24,661,378		24,661,378							3
Sewer rate	4		8,866,692		8,866,692							4
Library rate	5				0							5
Road rate	6				0							6
Solid waste	7		8,042,276		8,042,276							7
—	8				0							8
Payments in lieu of taxes	9				0							9
Subtotal levied by tax rate—general	11	-141,015	221,624,887	742,577	222,367,464	209,051,984		12,363,000		221,414,984	-1,093,495	11
Special purpose levies												
Water	12				0							12
Transit	13				0							13
Sewer	14				0							14
Library	15				0							15
—	16				0							16
—	17				0							17
Subtotal levied by tax rate—special areas	18		0	0	0					0	0	18
Special charges												
Direct water billings	19		949,331		949,331	949,331				949,331	0	19
Sewer surcharge on direct water billings	20				0	0				0	0	20
	21				0					0	0	21
Total region or county	22	-141,015	222,674,218	742,577	223,316,795	210,001,315	0	12,363,000	0	222,364,315	-1,093,495	22
SCHOOL BOARDS												
		balance at beginning of year	amounts levied	supplementary taxes	pupils' fees, share of trailer licences	total expended	amount of levy raised	share of payments in lieu of taxes	pupils' fees, share of trailer licences	total raised	balance at end of year	
		1	2	3	4	5	6	8	9	10	11	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
English Language Public DSB (specify)	62	-177,500	104,384,782	604,341		104,989,123	104,314,825	674,298	0	104,989,123	-177,500	62
—	63					0				0	0	63
French Language Public DSB (specify)	64	-1,071	642,066	3		642,069	636,524	5,545	0	642,069	-1,071	64
—	65					0				0	0	65
English Language Catholic DSB (specify)	93	-79,289	48,179,093	103,685		48,282,778	47,215,534	308,635	0	47,524,169	-837,898	93
—	94					0				0	0	94
French Language Catholic DSB (specify)	95	-2,174	1,283,818	286		1,284,104	1,275,247	8,857	0	1,284,104	-2,174	95
—	96					0				0	0	96
Total school boards	36	-260,034	164,489,759	708,315	0	155,198,074	153,442,130	997,335	0	154,439,465	-1,018,643	36

**CONTINUITY OF RESERVES
AND RESERVE FUNDS**

for the year ended December 31, 1998

Municipality

Hamilton C

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		1	\$
Balance at the beginning of the year		1	87,287,872
Revenues			
Contributions from revenue fund	2		12,851,514
Contributions from capital fund	3		4,821,791
Development Charges Act	67		821,328
Lot levies and subdivider contributions	60		
Recreational land (the Planning Act)	61		316,374
Investment income - from own funds	5		5,017,594
- other	6		
Province of Ontario - grants	9		4,320
	10		
	11		
Other	12		3,635,331
Total revenue	13		27,468,252
Expenditures			
Transferred to capital fund	14		19,169,091
Transferred to revenue fund	15		1,851,337
Charges for long term liabilities-principal and interest	16		
	63		
Purchase & maintenance of equipment, vehicles	20		2,247
Other	21		10,751,052
Total expenditure	22		31,773,727
Balance at the end of the year for:			
Reserves	23		52,178,307
Reserve Funds	24		30,804,090
Total	25		82,982,397
Analysed as follows:			
Reserves and discretionary reserve funds:			
Working funds	26		31,752,723
Contingencies	27		738,729
Ontario Clean Water Agency funds for renewals, etc.			
-sewer	28		
-water	29		
Replacement of equipment	30		5,235,571
Sick leave	31		6,335,485
Insurance	32		1,947,364
Workers' compensation	33		11,320,982
Capital expenditure-general administration	34		1,518,813
-roads	35		
-sanitary and storm sewers	36		
-parks and recreation	64		
-library	65		
-other cultural	66		1,430,847
-water	38		
-transit	39		
-housing	40		2,031,867
-Industrial development	41		1,191,112
-other and unspecified	42		7,981,468
Waterworks current purposes	49		
Transit current purposes	50		
Library current purposes	51		1,418,284
Repairs	52		1,108,457
	53		
	54		
Obligatory reserve funds:			
Development Charges Act	68		4,987,621
Lot levies and subdivider contributions	44		
Recreational land (the Planning Act)	46		-284,321
Parking revenues	45		-2,859,121
Debenture repayment	47		7,128,516
Exchange rate stabilization	48		
	55		
	56		
	57		
Total	58		82,982,397

**ANALYSIS OF CONSOLIDATED
YEAR END BALANCES**

as at December 31, 1998

Municipality

Hamilton C

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	1	2
	\$	\$
ASSETS		
Current assets		portion of cash not in chartered banks
Cash	1 29,933,317	
Accounts receivable		
Canada	2 1,491,186	
Ontario	3 497,307	
Region or county	4 9,583,513	
Other municipalities	5 512,834	
School boards	6 233,677	portion of taxes receivable for business taxes
Waterworks	7	
Other (including unorganized areas)	8 16,635,921	
Taxes receivable		
Current year's levies	9 67,086,666	
Previous year's levies	10 49,386,908	
Prior years' levies	11	
Penalties and interest	12	
Less allowance for uncollectables (negative)	13 -3,600,000	
Investments (market value 4,469,164)		
Canada	14	
Provincial	15	
Municipal	16 942,178	
Other	17 3,522,273	
Other current assets	18 5,293,488	portion of line 20 for tax sale/tax registration
Capital outlay to be recovered in future years	19 48,068,478	
Deferred taxes receivable	20 15,399	
Other long term assets	20 3,354,447	
Total	21 232,957,592	
LIABILITIES		portion of loans not from chartered banks
Current liabilities		
Temporary loans-current purposes	22 43,526,000	
-capital-Ontario	23	
-Canada	24	
-Other	25	
Accounts payable and accrued liabilities		
Canada	26	
Ontario	27 237,406	
Region or county	28 131,763	
Other municipalities	29	
School boards	30	
Trade accounts payable	31 16,991,917	
Other	32 32,133,655	
Other current liabilities	33 2,786,856	
Net long term liabilities		
Recoverable from the Consolidated Revenue Fund		
-general tax rates	34 47,126,300	
-special area rates and special charges	35	
-benefitting landowners	36 942,178	
-user rates (consolidated entities)	37	
Recoverable from Reserve Funds	38	
Recoverable from unconsolidated entities	39	
Less: Own holdings (negative)	40	
Reserves and reserve funds	41 82,982,397	
Accumulated net revenue (deficit)		
General revenue	42	
Special charges and special areas (specify)		
--	43 545,624	
--	44	
--	45	
--	46	
Consolidated local boards (specify)		
Transit operations	47	
Water operations	48	
Libraries	49	
Cemeteries	50	
Recreation, community centres and arenas	51	
--	52 145,160	
--	53	
--	54	
--	55	
Region or county	56 -1,093,495	
School boards	57 -1,018,643	
Unexpended capital financing/(unfinanced capital outlay)	58 7,520,474	
Total	59 232,957,592	

STATISTICAL DATA

Municipality

Hamilton C

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for the year ended December 31, 1999

1. Number of continuous full time employees as at December 31		1	
Administration		1	191
Non-line Departmental Support Staff		2	577
Fire		3	433
Police		4	
Transit		5	
Public Works		6	377
Health Services		7	37
Homes for the Aged		8	
Other Social Services		9	
Parks and Recreation		10	231
Libraries		11	209
Planning		12	26
Total		13	2,081

2. Total expenditures during the year on:		continuous full time employees	
		December 31	other
		1	2
		\$	\$
Wages and salaries	14	90,117,437	9,108,064
Employee benefits	15	13,595,832	565,811

3. Reductions of tax roll during the year (lower tier municipalities only)		1	
		\$	
Cash collections: Current year's tax	16	404,057,401	
Previous years' tax	17	20,892,636	
Penalties and interest	18	8,818,990	
Subtotal	19	433,769,027	
Discounts allowed	20	71,808	
Tax adjustments under sections 421, 441 and 442 of the Municipal Act			
- recoverable from general municipal accounts	25		
- recoverable from upper tier	90	2,562,766	
- recoverable from school boards	91	3,730,964	
Transfers to tax sale and tax registration accounts	26		
The Municipal Elderly Residents' Assistance Act - reductions	27	1,097,850	
- refunds	28		
Tax relief to low income seniors and disabled persons under various Acts including section 373 of the Municipal Act			
- deferrals	92		
- cancellations	93		
- other	94		
Rebates to eligible charities under section 442.1 of the Municipal Act			
- recoverable from general municipal accounts	95		
- recoverable from upper tier	96		
- recoverable from school boards	97		
Rebates under section 442.2 of the Municipal Act			
- commercial properties	98		
- industrial properties	99		
---	80		
Total reductions	29	441,232,415	
Amounts added to the tax roll for collection purposes only	30		
Business taxes written off under subsection 441(1) of the Municipal Act	81	288,716	

4. Tax due dates for 1999 (lower tier municipalities only)		1	
Interim billings: Number of installments	31	2	
Due date of first installment (YYYYMMDD)	32	19980227	
Due date of last installment (YYYYMMDD)	33	19980331	
Final billings: Number of installments	34	2	
Due date of first installment (YYYYMMDD)	35	19980930	
Due date of last installment (YYYYMMDD)	36	19981130	
Supplementary taxes levied with 1999 due date	37	1,897,074	

5. Projected capital expenditures and long term financing requirements as at December 31		long term financing requirements			
		approved by the O.M.B. or Council	submitted but not yet approved by O.M.B. or Council	forecast not yet submitted to the O.M.B. or Council	
	gross expenditure	1	2	3	4
	\$	\$	\$	\$	\$
Estimated to take place					
In 1999	58	27,721,500			
In 2000	90	27,334,500			
In 2001	60	28,571,500			
In 2002	61	32,660,500			
In 2003	62	32,660,500			
Total	63	148,008,500	0	0	0

balance of fund

loans outstanding

1

2

\$

\$

6. Ontario Home Renewal Plan trust fund at year end

82

39,621

57,150

7. Analysis of direct water and sewer billings as at December 31

Place cursor in cell in Col D and press
<Ctrl> M to enter municipal name.

number of
residential
units

1998 billings
residential
units

all other
properties

computer use
only

1

2

3

4

Water

In this municipality

In other municipalities (specify munic'ty)

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--

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--

39

\$

\$

ANALYSIS OF USER FEES

Municipality

Hamilton C

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for the year ended December 31, 1998

program/service	PIR Schedule 3 Line No.	unit of measure	minimum rate per unit	maximum rate per unit	annual revenue	comments
Itemize user fees which contribute more than 5% of total fees and service charges.		1	2	3	4	5
		<CTRL>	\$	\$	\$	
		U				
General government	1	-			8,837,264	
Roadways	2	-			2,851,541	
Parking	3	-			5,469,096	
Cemeteries	4	-			1,237,587	
Parks and recreation	5	-			14,974,678	
Libraries	6	-			491,328	
Other cultures	7	-			883,138	
Planning and zoning	8	-			876,992	
Commercial and Industrial	9	-			647,250	
Residential development	10	-			437,101	
-	11	-				
-	12	-				
-	13	-				
-	14	-				
-	15	-				
-	16	-				
-	17	-				
-	18	-				
-	19	-				
-	20	-				
Subtotal	21				36,705,975	
All other user fees	22				740,512	
Total	23				37,446,487	

for the year ended December 31, 1998

1. Phase-in programs under section 372 of the Municipal Act

		multi-		office		shopping		parking lots/			
		residential	residential	commercial	buildings	centres	vacant land	industrial			
		1	2	3	4	5	6	7			
No. of years of the program	(#) 1										1
Cross class funding (1=Yes;0=No)	2	0									2
Properties increasing:											
No. of properties affected within class	(#) 3	5,339									3
Total adjustments for the year	(\$ 4	3,838,031									4
Minimum threshold amount:											
-dollar value	(\$ 5	200									5
-per cent value	(%) 6	10.00									6
Phase-in rate	(%) 7	25.00									7
Properties decreasing:											
No. of properties affected within class	(#) 8	21,153									8
Total adjustments for the year	(\$ 9	4,130,780									9
Minimum threshold amount:											
-dollar value	(\$ 10	200									10
-per cent value	(%) 11										11
Phase-in rate	(%) 12	14.83									12

		large industrial	farmland	managed forest	pipeline	new multi- residential		
		1	2	3	4	5	6	7
No. of years of the program	(#) 13							13
Cross class funding (1=Yes,0=No)	14							14
Properties increasing:								
No. of properties affected within class	(#) 15		1	1				15
Total adjustments for the year	(\$) 16</td <td></td> <td>1,159</td> <td>1,040</td> <td></td> <td></td> <td></td> <td>16</td>		1,159	1,040				16
Minimum threshold amount:								
-dollar value	(\$) 17</td <td></td> <td>200</td> <td>200</td> <td></td> <td></td> <td></td> <td>17</td>		200	200				17
-per cent value	(%) 18		10.00	10.00				18
Phase-in rate	(%) 19		25.00	25.00				19
Properties decreasing:								
No. of properties affected within class	(#) 20		3	3				20
Total adjustments for the year	(\$) 21</td <td></td> <td>181</td> <td>181</td> <td></td> <td></td> <td></td> <td>21</td>		181	181				21
Minimum threshold amount:								
-dollar value	(\$) 22</td <td></td> <td>200</td> <td>200</td> <td></td> <td></td> <td></td> <td>22</td>		200	200				22
-per cent value	(%) 23							23
Phase-in rate	(%) 24		14.83	14.83				24

2. Rebate programs under section 442.2 of the Municipal Act

		commercial	office buildings	shopping centres	parking lots vacant land	Industrial	large Industrial	
		1	2	3	4	5	6	7
No. of years of the program	(#) 25							25
Total no of properties in class	(#) 26							26
No. of properties affected within class	(#) 27							27
Total adjustments for the year	(\$)	28						28
Minimum threshold amount:								
-dollar value	(\$)	29						29
-per cent value	(%)	30						30
Assessment value to qualify:								
-minimum	(\$)	31						31
-maximum	(\$)	32						32

3. 2.5% Capping programs under section 447.1 of the Municipal Act

		multi-		office	shopping	parking	large		
		residential	commercial	buildings	centres	lots/vacant	industrial	industrial	
		1	2	3	4	land	5	6	7
Total no. of properties in class	(#) 33								33
Properties increasing:									
No. of properties affected within class	(#) 34								34
Total adjustments for the year	(\$)								35
Properties decreasing:									
No. of properties affected within class	(#) 36								36
Total adjustments for the year	(\$)								37

4. 10/5/5 Capping program and Maximum Taxes program under section 447.35 of the Municipal Act

		multi- residential	commercial	office buildings	shopping centres	parking lots/vacant land	Industrial	large Industrial	
		1	2	3	4	5	6	7	
Total no. of properties in the class	(#) 38	764	5,046				407		38
Budgetary levy change	(%) 39								39
Properties increasing:									
No. of properties affected within class	(#) 40	245	2,787				229		40
Total tax increase phase-ins for year	(\$)	534,371	4,080,050				530,011		41
Total tax adjustment for the year	(\$)	-594,742	-14,705,552				-1,875,345		42
Properties decreasing:									
No. of properties affected within class	(#) 43	346	1,820				142		43
Percentage used to determine decrease phase-in	(%) 44	18.70	57.60				49.50		44
Total tax decrease phase-ins for year	(\$)	-3,150,773	-10,755,984				-4,099,478		45
Total tax adjustments for the year	(\$)	831,302	15,226,984				4,014,439		46

HAMILTON PUBLIC LIBRARY



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